

SALE ANNOUNCEMENT

\$10.4MM NON-PERFORMING COMMERCIAL LOAN PORTFOLIO SALE

MULTIFAMILY & MIXED-USE

NEW JERSEY

INDICATIVE BID DATE: TUESDAY, AUGUST 4, 2020

FINAL BID DATE: TUESDAY, AUGUST 25, 2020



| | |
|---------------------|---|
| Sale: | \$10.4MM Non-Performing Commercial Loan Portfolio Sale |
| Collateral: | Multifamily & Mixed-Use |
| Location: | New Jersey |
| Performance: | Non-Performing |

Overview Summary

This Sale Announcement presents the sale of a \$10.4MM non-performing commercial loan portfolio secured by multifamily and mixed-use assets in New Jersey (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 potential sale of a non-performing loan portfolio with an unpaid principal balance of \$10.4MM (the “Loans”, “Assets”, or “Portfolio”). The Loans are secured by five first-lien mortgages on multifamily and mixed-use Assets located in New Jersey (the “Properties”).

On behalf of the Seller, Mission is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the potential purchase of the Portfolio 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 Portfolio.

Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a non-performing commercial loan portfolio secured by value-add multifamily and mixed-use assets located in New Jersey.

- The Loans are currently non-performing after defaulting in August 2019. A receiver is currently managing the properties and foreclosure proceedings have commenced on all assets.
- The loans are not cross-collateralized nor cross-defaulted, but have a common sponsor and guarantor.
- The Portfolio consists of five loans secured by five properties all located in northern/central New Jersey.
- The five Properties have a total of 85 residential units, which were 82.4% occupied as of May 2020. Two of the properties have a total of 4 ground-floor commercial units, with 3 units occupied as of May 2020.

| Asset | Note Date | Maturity Date | Original UPB | Original UPB / Unit | Current UPB | Current UPB / Unit | Note Rate | Loan Type | Fixed Term | Index | Margin |
|--------------|-----------|---------------|---------------------|---------------------|---------------------|--------------------|--------------|------------|------------|------------|--------|
| 1 | 2/13/2019 | 3/1/2039 | \$2,735,000 | \$227,917 | \$2,721,475 | \$226,790 | 4.60% | Hybrid ARM | 60 Mo | 6-Mo LIBOR | 3.25% |
| 2 | 3/14/2019 | 4/1/2039 | \$2,365,000 | \$124,474 | \$2,353,349 | \$123,860 | 4.62% | Hybrid ARM | 60 Mo | 6-Mo LIBOR | 3.25% |
| 3 | 3/14/2019 | 4/1/2039 | \$1,986,000 | \$86,348 | \$1,976,137 | \$85,919 | 4.58% | Hybrid ARM | 60 Mo | 6-Mo LIBOR | 3.25% |
| 4 | 4/25/2019 | 5/1/2039 | \$2,000,000 | \$117,647 | \$1,992,524 | \$117,207 | 4.47% | Hybrid ARM | 60 Mo | 6-Mo LIBOR | 3.25% |
| 5 | 3/27/2019 | 5/1/2039 | \$1,390,000 | \$99,286 | \$1,383,717 | \$98,837 | 5.04% | Hybrid ARM | 60 Mo | 6-Mo LIBOR | 3.25% |
| Total | | | \$10,476,000 | \$123,247 | \$10,427,202 | \$122,673 | 4.63% | | | | |

| Asset | City, State | County | Property Type | Resi Units | Comm Unit | Year Built | Site (Acres) | Resi Occ. % | Appraisal Value | Appraisal Value / Unit | Appraisal Date |
|--------------|-----------------|-----------|---------------|------------|-----------|------------|--------------|--------------|---------------------|------------------------|----------------|
| 1 | Englewood, NJ | Bergen | Mixed-Use | 12 | 3 | 1925 | 0.18 | 91.7% | \$3,450,000 | \$287,500 | 11/9/2018 |
| 2 | Jersey City, NJ | Hudson | Multifamily | 19 | n/a | 1918 | 0.12 | 94.7% | \$3,100,000 | \$163,158 | 1/9/2019 |
| 3 | Passaic, NJ | Passaic | Mixed-Use | 23 | 1 | 1920, 1960 | 0.11 | 69.6% | \$2,850,000 | \$123,913 | 1/9/2019 |
| 4 | Jersey City, NJ | Hudson | Multifamily | 17 | n/a | 1925 | 0.10 | 82.4% | \$2,600,000 | \$152,941 | 3/5/2019 |
| 5 | Perth Amboy, NJ | Middlesex | Multifamily | 14 | n/a | 1921 | 0.34 | 78.6% | \$2,300,000 | \$164,286 | 1/8/2019 |
| Total | | | | 85 | 4 | | | 82.4% | \$14,300,000 | \$168,235 | |

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 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 initially soliciting indicative bids for the Assets. 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 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).**

Loan Sale Timeline

The potential transaction contemplated herein has been scheduled as follows:

| Event | Date |
|--------------------------------|-----------------------------|
| Sale Announcement Distributed | Thursday, July 16, 2020 |
| Initial Data Distribution | Friday, July 17, 2020 |
| Indicative Bid Date | Tuesday, August 4, 2020 |
| Best & Final Bid Date | Tuesday, August 25, 2020 |
| Winning Bidder Selected | Wednesday, August 26, 2020 |
| 10% Non-Refundable Deposit Due | Thursday, August 27, 2020 |
| Closing Date | Thursday, September 3, 2020 |

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 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 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.

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