

# SALE ANNOUNCEMENT

**\$5.4MM NON-PERFORMING COMMERCIAL  
MORTGAGE LOAN SALE**

**SPECIAL-USE  
(COMMUNITY FACILITY/EVENT SPACE & CO-LIVING)**

**SAN FRANCISCO, CA**

**INDICATIVE BID DATE: MONDAY, NOVEMBER 23, 2020**

**FINAL BID DATE: TUESDAY, DECEMBER 8, 2020**



<b>Sale:</b>	<b>\$5.4MM Non-Performing Commercial Mortgage Loan Sale</b>
<b>Collateral:</b>	<b>Special-Use (Community Facility/Event Space &amp; Co-Living)</b>
<b>Location:</b>	<b>San Francisco, CA</b>
<b>Performance:</b>	<b>Non-Performing (Forbearance)</b>

## Overview Summary

This Sale Announcement presents the sale of an approximately \$5.4MM non-performing commercial mortgage loan secured by a special-use community facility/event space and co-living asset in San Francisco, CA (the “Loan Sale” or “Asset Sale”) conducted exclusively by Mission Capital Advisors, LLC (“Mission Capital” or “Loan Sale Advisor”) on behalf of an undisclosed seller (“Seller”).

## Sale Structure

On behalf of the Seller, Mission is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the potential purchase of the Loan 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	Thursday, October 29, 2020
Initial Data Distribution	Thursday, October 29, 2020
Indicative Bid Date	Monday, November 23, 2020
Best & Final Bid Date	Tuesday, December 8, 2020
Winning Bidder Selected	Wednesday, December 9, 2020
10% Non-Refundable Deposit Due	Friday, December 11, 2020
Closing Date	Friday, December 18, 2020

## Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a non-performing commercial mortgage loan secured by a special-use community facility/event space and co-living property located in San Francisco, CA.

- The interest-only Loan matured October 5, but the loan has been in payment default since August 2020.
- The lender recently granted a six-month forbearance where, in exchange for a limit of the sponsor’s personal guaranty and time to complete the subdivision of the two collateral components: (1) the loan will continue to accrue interest at the 15.00% default rate until the new maturity date of April 5, 2021, and (2) the borrower has delivered an executed deed-in-lieu to be held in escrow. Additionally, a 0.75% extension fee was added to the principal balance as part of the forbearance extension. An existing 1.00% exit fee remains as well.
- The collateral is a first-lien deed of trust on a 15,102-sf former church and a 4,680-sf rectory, utilized by a school prior to current ownership, and subsequently converted into a community facility/event space and co-living property.
- Situated on a 0.307-acre site, the 2 buildings were built in 1907, and renovated and converted into their current use in 2017/2018.
- Just prior to the COVID-19 pandemic, the community facility/event space received its conditional use approval in early March 2020 and had already been booked solid through October of this year.
- The co-living space saw occupancy increase from an average of 74.8% in 2018 to 82.9% in 2019 but has been 45.8% YTD through August 2020. The sponsor expects occupancy to stabilize by 4Q 2020.
- With a March 2019 combined appraised value of \$11,200,000, the loan carries an LTV of 48.0%.

LOAN SUMMARY	
Loan Status	Non-Performing (Forbearance)
Original Balance	\$5,200,000
Original Balance PSF	\$264.07
Current Principal Balance	\$5,375,000
Current Principal Balance PSF	\$272.95
Origination Date	4/5/2019
Forbearance Maturity Date	4/5/2021
Current Accrual Rate	10.00%
Default Rate	+5.00%
Current Rate Type	Fixed
Payment Type	Interest-Only

COLLATERAL SUMMARY	
Property Type	Special-Use (Event Space & Co-Living)
City, State	San Francisco, CA
NRA SF	19,692
# of Buildings	2
Site Size (Acres)	0.307
Year Built / Renovated	1907 / 2017-18
Appraisal Value As-Is	\$11,200,000
Appraisal Value As-Is PSF	\$568.76
Appraisal Date	Mar-2019
Zoning	RM-2; Residential-Mixed, Moderate Density

## Loan Sale Process

Prospective 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 the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission Capital, 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](http://market.missioncap.com). Included in the Due Diligence Materials will be an Offering Memorandum for the Loan (the “Offering Memorandum”) prepared by Mission Capital, comprehensive bidding instructions, the terms of sale and the Seller’s required form of agreement for Purchase & Sale 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 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 Capital’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](mailto: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.**

## Contact Information

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Due diligence information can be found in the data room at [market.missioncap.com](http://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 CAPITAL 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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