

SALE ANNOUNCEMENT

**\$35,010,754 NON-PERFORMING
OFFICE LOAN SALE**

INDICATIVE BID DATE: TUESDAY, AUGUST 3, 2021

FINAL BID DATE: TUESDAY, AUGUST 17, 2021



Sale: \$35,010,754 Commercial Loan Sale

Collateral: Office

Location: Maryland

Performance: Non-Performing / Maturity Default (Deed in Lieu)

Overview Summary

\$35,010,754 Non-Performing Office Loan Sale (the “Asset Sale”) conducted by Mission Capital Advisors, LLC (“Mission Capital” or “Asset Sale Advisor”) on behalf of an undisclosed Seller (“Seller”).

Sale Structure

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of a non-performing office loan located in Maryland (the “Asset”). The Asset is being offered on a sealed bid basis.

On behalf of the Seller, Mission Capital is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of the loan 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, will then invite multiple final bidders (the “Final Bidders”) to the Final Bid round to complete due diligence and submit non-contingent bids for the Asset.

The transaction contemplated herein has been scheduled as follows:

Sale Timeline	
Event	Date
Sale Announcement Distributed	Tuesday, July 13, 2021
Initial Data Distribution	Wednesday, July 14, 2021
Indicative Bid Date	Tuesday, August 3, 2021
Best & Final Bid Date	Tuesday, August 17, 2021
Winning Bidder Selected	Wednesday, August 18, 2021
10% Non-Refundable Deposit Due	Friday, August 19, 2021
Closing Date	Monday, August 26, 2021

Highlights & Sale Summary

The Asset Sale offers Prospective Bidders the opportunity to acquire a non-performing loan secured by a first lien deed of trust on a 6-story, Class-A office building situated on a 1.17-acre site in Maryland.

- The loan matured in October 2020 and is currently in default.
- An executed Deed in Lieu is being held in escrow to be recorded by the loan purchaser subsequent to acquiring the loan.
- The property is 57% occupied as of May 2021. Additional lease up of the property provides significant upside potential.
- The loan carries a variable rate of L + 2.25% (LIBOR floor of 100bps) plus a default rate of 4.00%.
- The property generated an adjusted 2020 NOI of \$3,378,096, resulting in a debt service coverage ratio of 1.45x.
- The subject property was constructed in 2007 and contains 224,258sf of rentable area.
- There are 871 on-site parking spaces resulting in a parking ratio of 3.88 per 1,000 sf.

LOAN SUMMARY	
Loan Status	Maturity Default
Original Balance	\$44,500,000
Original Balance PSF	\$187.76
Current Principal Balance	\$35,010,754
Current Principal Balance PSF	\$147.73
Origination Date	1/14/2016
Original Maturity Date	1/14/2019
Most Recent Modification Date	4/14/2021
Current Maturity Date	10/14/2020
Current Rate	3.25%
Default Rate	+4.00%
Current Rate Type	Variable
Accrual Basis	Act/360

COLLATERAL SUMMARY	
Property Type	Office
City, State	Rockville, MD
GBA SF	237,000
NRA SF	224,258
Stories	6
# of Buildings	1
Site Size (Acres)	1.17
Year Built	2007
Appraisal Value As-Is	\$50,000,000
Appraisal Value As-Is PSF	\$222.96
Appraisal Value As-Stabilized	\$61,000,000
Appraisal Value As-Stabilized PSF	\$272.01
Appraisal Date	April-2020
Zoning	PD-KF
Occupancy	57.0%
Occupancy Date	May-2021

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. 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.

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.

Transaction Team Contact Information

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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, IF ANY, 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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