

SALE ANNOUNCEMENT

**\$7,500,000 PERFORMING
MEZZANINE LOAN SALE**

TROY, MICHIGAN

INDICATIVE BID DATE: THURSDAY, JULY 14, 2022

FINAL BID DATE: THURSDAY, JULY 28, 2022



Sale: \$7,500,000 Mezzanine Loan Sale

Collateral: Class-A Office

Location: Troy, Michigan

Performance: Performing

Overview Summary

\$7,500,000 Mezzanine Loan Sale (the “Asset Sale” or “Mezzanine Loan Sale”) conducted by Mission Capital Advisors, LLC (“Mission Capital” or “Asset Sale Advisor”) on behalf of an undisclosed Seller (“Seller” or “Mezzanine Lender”). **Purchaser must be a Qualified Transferee under the Mezzanine Loan Documents.**

Sale Structure

Mission Capital has been retained as the exclusive Mezzanine Loan Sale Advisor to the Seller for the sale of a Performing Mezzanine Loan located in Troy, Michigan (the “Asset” or “Mezzanine Loan”).

On behalf of the Seller, Mission Capital is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of the Asset 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	Thursday, June 23, 2022
Initial Data Distribution	Friday, June 24, 2022
Indicative Bid Date	Thursday, July 14, 2022
Best & Final Bid Date	Thursday, July 28, 2022
Winning Bidder Selected	Friday, July 29, 2022
10% Non-Refundable Deposit Due	Monday, August 1, 2022
Closing Date	Friday, August 12, 2022

Highlights & Sale Summary

The Loan Sale offers Prospective Bidders the opportunity to acquire a Mezzanine Loan secured by a Pledge and Security Agreement pursuant to which Mezzanine Lender received a first-priority security interest in all of Mezzanine Borrower’s direct or indirect, as applicable, ownership interests in the Borrower.

Mezzanine Loan Sale Highlights are as follows:

- The Mezzanine Loan was originated in August 2017 to finance the acquisition of a Class-A office property in Troy, Michigan. The Mezzanine Loan matures in September 2024.
- The Mezzanine Loan holds a fixed interest rate of 11.00% and is performing as agreed.
- The underlying property is a 438,996 square foot multi-tenant office property in Troy, Michigan (the “Property”).
- The Property is currently 91.1% occupied. However, the anchor tenant provided notice that they will be vacating the space in January 2023. This will reduce the occupancy level of the Asset to 56%
- The Senior Loan holds \$4,905,816 in funded cash reserves, which can be utilized to finance future lease up costs.
- The Property is a Class-A LEED certified building, with a granite exterior, six-story atrium, and newly renovated common areas.
- The Property generated over \$7,000,000 in NOI in both 2020 and 2021, which is reflective of the substantial upside potential upon stabilization.

MEZZANINE LOAN SUMMARY	
Loan Status	Performing
Original Loan Balance	\$7,500,000
Original Loan Balance PSF*	\$125.51
Current Loan Balance	\$7,500,000
Current Loan Balance PSF*	\$119.47
Origination Date	8/31/2017
Maturity Date	9/6/2024
Interest Rate	11.00%
Payment Type	Interest Only
Day Count Basis	Actual / 360

SENIOR LOAN SUMMARY	
Loan Status	Performing
Original Loan Balance	\$47,600,000
Original Loan Balance PSF	\$108.43
Current Loan Balance	\$44,946,754
Current Loan Balance PSF	\$102.39
Origination Date	8/8/2017
Maturity Date	9/6/2024
Senior Rate	4.05%
Payment Type**	P&I
Day Count Basis	Actual / 360

UNDERLYING COLLATERAL SUMMARY	
Property Type	Class-A Office
Location	Troy, Michigan
NRA	438,996
GBA	470,475
Stories	6
Parking Spaces	1,460 Spaces
Appraisal Value	\$79,200,000
Appraisal Date	7/31/2017
Occupancy	91.1%
Occupancy Date	March 2022

*Based on Whole Loan

**The Whole Loan amortizes over a 360-month schedule. All principal payments are applied to the Senior Loan balance.

Asset 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 Information Memorandum for the Asset (the “Information Memorandum”) prepared by Mission Capital, comprehensive bidding instructions, the terms of sale and the Seller’s required form of agreement for Purchase and Sale of the Asset (the “Purchase and Sale Agreement”).

Additional information will be provided to Bidders via Mission Capital’s online due diligence site. Such information may include detailed property-level documents, environmental reports, and financial statements, in both computer file and imaged formats.

Mission Capital is initially soliciting indicative bids for the Asset. 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 Capital, 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 Purchase and Sale Agreement by Prospective Bidder accompanied by a 10% non-refundable wire funds deposit).**

Please e-sign or return an executed Confidentiality Agreement to nda@missioncap.com. PLEASE NOTE THAT E- SIGNATURES OF UNMODIFIED CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE MODIFIED CONFIDENTIALITY AGREEMENTS 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.

Purchase and Sale Agreement

The Seller will make its required form of Purchase and Sale Agreement available for review to Bidders. Pursuant to the Purchase and Sale Agreement, the Seller will be selling its Asset subject only to those representations and warranties explicitly stated in the Purchase and 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 ASSET 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 ASSET. 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 THE ASSET. ONLY THOSE REPRESENTATIONS AND WARRANTIES, IF ANY, THAT ARE MADE BY THE APPLICABLE SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED PURCHASE AND SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.

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