

# SALE ANNOUNCEMENT

## \$124 MILLION SUB-PERFORMING & NPL PORTFOLIO SALE

<b>Sale:</b>	\$124 Million Sub-Performing & Non-Performing Bridge Loan Portfolio
<b>Collateral Type:</b>	Land - SF/MF (38.8%), Collateralized CRE (37.3%), Collateralized SF/MF (13.3%), Land - CRE (10.6%)
<b>Location:</b>	Utah (32.0%), Colorado (25.1%), Washington (21.7%), Texas (14.8%), Other (6.5%)
<b>Loan Performance:</b>	Non-Performing (79.8%), Sub-Performing (16.6%), Performing (3.6%)

### OVERVIEW

On behalf of an undisclosed seller (the “**Seller**”), Mission Capital Advisors, LLC (“**Mission Capital**” or “**Loan Sale Advisor**”) is pleased to announce the sale (the “**Loan Sale**”) of twenty-six (26) non-performing, sub-performing and performing bridge loans totaling \$123,976,105 in UPB (the “**Loans**,” “**Assets**” or “**Portfolio**”) secured by Land, Residential, and Commercial properties located in multiple states (collectively, the “**Properties**” or “**Collateral**”). ~50% of the Loans are full recourse (“**Guarantors**”).

### SALE STRUCTURE

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of twenty-six non-performing, sub-performing and performing Loans.

On behalf of the Seller, Mission Capital is initially soliciting indicative bids from prospective bidders (the “**Prospective Bidders**”) for the purchase of the Loans pursuant to the Asset Sale timeline below.

**The Loans are being offered in four (4) Pools and Prospective Bidders are invited to submit bids on the Portfolio in its entirety, one or more Pools, groups of Loans, or individual Loans on the Indicative Bid Date.**

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 on the Loans on the Final Bid Date.

Loan Sale Timeline	
Event	Date
Sale Announcement Distributed	Thursday, December 7, 2023
Initial Data Distribution	Friday, December 8, 2023
Indicative Bid Date	Tuesday, January 9, 2024
Best & Final Bid Date	Tuesday, February 6, 2024
Winning Bidder(s) Selected	Wednesday, February 7, 2024
Executed Contract/Deposit Due	Friday, February 9, 2024
Closing Date (On or Before)	Wednesday, February 14, 2024

### HIGHLIGHTS & SALE SUMMARY

The Loan Sale offers Prospective Bidders the opportunity to acquire a critical mass of non-performing, sub-performing and performing bridge Loans. **Loan Sale highlights are as follows:**

- The Loans are secured by Single Family Lots (finished and paper), Commercial Land, Office, Industrial, Multifamily, Townhome, Hotel, Senior Care and Retail located predominately in UT, CO, WA, and TX.
- The Seller assumed ownership of the Loans as part of a recent REIT acquisition.
- 20.2% of the Loans are sub-performing (current or recent cash flow), 55.6% are 90+ days DQ, 12.6% are in Foreclosure, and 11.6% are in Bankruptcy.
- The Loans have a weighted-average (“WA”) origination date in April 2020 and a WA maturity date in June 2023, with a WA Coupon of 10.81%.
- Approximately 50% of the Portfolio is secured by fully or partially completed CRE, multifamily or residential properties, while the other 50% consists of Land planned for CRE, Multifamily or Residential development.
- WA As-Is LTV % based on 2023 values is 100.7%, As-Complete LTV is 72.4%, and As-Stabilized LTV is 54.6%, presenting upside upon property completion and stabilization.
- ~50% of the Loans are full recourse to the Sponsors.

The Loan Sale Pools are shown on the following page.

Loan Sale Pools	Count	UPB \$	UPB %	WAC %	WA Maturity	WA As-Is LTV	WA As-Complete LTV*	WA As-Stabilized LTV*
Pool 1 - Collateralized CRE	6	\$46,232,930	37.29%	10.67%	5/30/2023	75.51%	66.14%	62.62%
Pool 2 - Land - CRE Zoned/Entitled	2	\$13,112,615	10.58%	9.52%	8/1/2023	246.13%	35.42%	27.81%
Pool 3 - Collateralized SFR/MF	7	\$16,474,611	13.29%	11.11%	3/28/2023	143.92%	129.40%	83.68%
Pool 4 - Land - SFR/MF Zoned Entitled	11	\$48,155,949	38.84%	11.19%	6/26/2023	70.59%	64.40%	17.28%
<b>Grand Total</b>	<b>26</b>	<b>\$123,976,105</b>	<b>100.00%</b>	<b>10.81%</b>	<b>6/8/2023</b>	<b>100.73%</b>	<b>72.36%</b>	<b>54.62%</b>

*\*Only shown above when available*

## LOAN SALE PROCESS

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/or the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission Capital, has prepared an array of due diligence materials (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 a data tape for the Assets (the “**Data Tape**”) prepared by Mission Capital, comprehensive bidding instructions, the terms of sale, and the Seller’s required form of loan sale agreement (the “**Loan Sale Agreement**”).

Additional Due Diligence Materials will be provided to Prospective Bidders via Mission Capital’s online due diligence site. Additional Due Diligence Materials may include detailed loan documents, information memoranda for the Assets, pay histories and financial statements, where available.

Mission Capital is initially soliciting indicative bids for the Loans. 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 due diligence before submitting non-contingent offers on the Final Bid Date (the acceptance of which by Seller will require immediate execution of a pre-negotiated Loan Sale Agreement accompanied by a 10% non-refundable wire funds deposit (the “**Earnest Money Deposit**”).

## RESERVATION OF RIGHTS

The Seller, in its sole and absolute discretion, reserves the right to, at any time and without obligation to any Prospective Bidder:

- a) Alter, amend, or supplement the terms and conditions of

the Loan Sale or transaction materials.

- b) Withdraw any or all the Assets from the Loan Sale prior to awarding any portion of the Portfolio.
- c) Withdraw Assets after awarding any portion of the Portfolio, but prior to closing.
- d) Extend any deadline or timeframe.
- e) Accept any bid in accordance with the bidding rules, whether or not it is the highest bid, waive any technical defects therein and/or reject any and all bids.
- f) Terminate discussions and negotiations with any Prospective Bidder at any time and for any reason; and
- g) Not award all or any portion of the Portfolio and reject any or all bids.

## AGREEMENTS

Please e-sign or return an executed Confidentiality Agreement to [assetsales@missioncap.com](mailto:assetsales@missioncap.com) or [kjuarez@missioncap.com](mailto:kjuarez@missioncap.com).

**INVESTORS SHOULD NOTE THAT E-SIGNATURES AND/OR UNMODIFIED CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE MODIFIED CONFIDENTIALITY AGREEMENTS ARE PROCESSED AT THE END OF EACH BUSINESS DAY. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO ACCEPT OR REJECT COMMENTS TO THE CONFIDENTIALITY AGREEMENT.**

The Seller will make its required form of Loan Sale Agreement available to Prospective Bidders. Comments to the Loan Sale Agreement are discouraged and, in any event, must be submitted and approved, in Seller’s sole and absolute discretion, prior to the Final Bid Date. **The Seller will be selling the Loans 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. No obligation to sell shall be binding on Seller unless and until a Loan Purchase Agreement is signed and delivered by Seller and Seller has received the Earnest Money Deposit in accordance with the Loan Sale Agreement.**

All inquiries should be directed through Mission Capital. Neither the Seller, any borrower, borrower affiliates or guarantors are to be contacted. Investors are required to strictly adhere to the terms of the Confidentiality Agreement.

## TRANSACTION TEAM CONTACT INFORMATION

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## DISCLAIMER

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR LOAN PURCHASE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE LOANS 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 LOANS. WHILE THE INFORMATION INCLUDED HEREIN IS BELIEVED TO BE ACCURATE AND RELIABLE, SELLER, MISSION CAPITAL AND THEIR RESPECTIVE SUBSIDIARIES, AFFILIATES, AGENTS, ATTORNEYS, 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 SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED LOAN SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.