

SALE ANNOUNCEMENT

\$23.8 MILLION NON-PERFORMING OFFICE LOAN SALE

Sale:	\$23,795,429 Non-Performing Loan Sale
Collateral:	Office Property
Location:	San Francisco, CA
Loan Performance:	Maturity Default

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 a \$23,795,429 non-performing loan (the “**Loan**,” or “**Asset**”) secured by a 99,728 square foot office property located in San Francisco, California (collectively, the “**Property**” or “**Collateral**”).

SALE STRUCTURE

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of a non-performing Loan secured by an office Property located in San Francisco, California. The Loan 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 on the Loan.

Event	Date
Sale Announcement Distributed	Wednesday, January 24, 2024
Due Diligence Materials Available	Thursday, January 25, 2024
Indicative Bid Date	Wednesday, February 14, 2024
Final Bid Date	Wednesday, March 6, 2024
Winning Bidder Selected	Thursday, March 7, 2024
Executed Contract/Deposit Due	Friday, March 8, 2024
Closing Date (On or Before)	Friday, March 15, 2024

HIGHLIGHTS & SALE SUMMARY

The Loan Sale offers Prospective Bidders the opportunity to acquire a \$23.8 million non-performing Loan secured by an office Property in San Francisco, CA. Loan Sale highlights are as follows:

- The 99,728 square foot office Property is well located on Market Street within close proximity to the Theatre District in San Francisco.
- The Loan was originated in March 2020 in the amount of \$35 million. In April 2023, the Loan was paid down by \$6,754,571 in exchange for an extension through year end 2023. The Loan is currently in maturity default and accruing at the default rate of 12.81%.
- The Property is 28% occupied by three tenants. The retail space is fully occupied, with a lease that runs through September 2026. The largest office tenant spans 22% of the NRA with a lease that runs through 2033.
- The Property generated over \$3 million in NOI in 2020, which demonstrates the significant upside potential upside stabilization.

Loan Information	
Status	Maturity Default
Original Balance	\$35,000,000
Current Principal Balance	\$23,795,429
Interest Rate (SOFR + 3.50%)	8.81%
Default Rate	Base Rate + 4.00%
Origination Date	3/23/2020
Maturity Date	12/31/2023
PMT Type	Interest Only
Guaranty Type	Non-Recourse

Collateral Summary	
Property Type	Office
City, State	San Francisco, CA
NRA (SF)	99,728
Stories	7
# of Buildings	1
Site Size (Acres)	0.38
Year Built	1912
Appraised Value	\$35,300,000
Appraisal Date	8/9/2023

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 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, pay histories, financials, and comprehensive bidding instructions.

Additional Due Diligence Materials will be provided to Prospective Bidders via Mission Capital’s online due diligence site. Such additional Due Diligence Materials will include detailed loan documents, and the Seller’s required form of loan sale agreement (the “**Loan Sale Agreement**”).

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).

Please e-sign or return an executed Confidentiality Agreement to assetsales@missioncap.com. **INVESTORS SHOULD NOTE THAT E-SIGNATURES OF UNMODIFIED CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE REVISED 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.**

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 Hard Earnest Money Deposit in accordance with the Loan Sale Agreement.

LOAN SALE 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.**

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.

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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 PURCHASE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.