# DISTRESSED DEBT &
# NON-PERFORMING ASSET ACQUISITIONS

**Overview**

Silverback Universal, LLC acquires and evaluates distressed and non-performing financial assets, including non-performing and sub-performing mortgage loans, mortgage notes, tax liens and tax certificates, judgment-related receivables, and other secured or asset-backed debt opportunities. We seek to purchase qualifying positions from banks, private lenders, funds, servicers, investors, and other holders at negotiated values, then pursue disciplined resolution strategies based on the underlying collateral, lien priority, borrower circumstances, documentation, and applicable law.

Depending on the asset, strategies may include consensual restructuring or payoff, reinstatement, sale or assignment of the debt, collateral resolution, or other lawful workout and recovery alternatives. Our focus is on transactions where careful due diligence, flexible capital, disciplined pricing, and real-estate expertise can unlock value from underperforming or non-performing assets.

**Investment Focus**

Silverback's approach is based on acquiring an existing credit position at a basis that appropriately reflects its risk, collateral, documentation, priority, expected recovery, carrying costs, and anticipated resolution period. Rather than viewing delinquency alone as the investment thesis, we evaluate the entire capital and collateral structure to identify situations in which an asset may offer an attractive risk-adjusted opportunity.

| Target Asset | Potential Opportunity |
|---|---|
| Non-Performing Mortgage Loans | Commercial or residential mortgage loans in material payment default, where the underlying collateral and legal position may support a negotiated or collateral-based resolution. |
| Sub-Performing Loans | Seasoned loans with inconsistent payments, delinquency, modification history, elevated credit risk, or other characteristics that may cause the asset to trade below par. |
| Mortgage Notes & Secured Debt | Existing notes and secured credit positions offered by banks, private lenders, funds, investors, or other holders seeking liquidity or portfolio repositioning. |

| Target Asset | Potential Opportunity |
|---|---|
| Tax Liens & Tax Certificates | Eligible tax-lien and tax-certificate interests where acquisition and investment are permitted under applicable state and local law. |
| Judgment-Related & Asset-Backed Receivables | Selected receivables and judgment-related positions supported by identifiable assets, collateral, recovery sources, or enforceable contractual rights. |
| Loan Pools & Portfolio Acquisitions | Pools of distressed, non-performing, sub-performing, or seasoned assets offered through negotiated sales or portfolio dispositions. |

## ACQUISITION & RESOLUTION STRATEGY

### 1. Sourcing

Silverback may evaluate individual assets and portfolios sourced from banks, private lenders, debt funds, mortgage investors, servicers, institutional holders, and other sellers. Opportunities may arise when a lender seeks to reduce non-performing exposure, accelerate liquidity, clean up a balance sheet, exit a particular market, or transfer the time and expense associated with resolving a troubled credit.

### 2. Due Diligence & Underwriting

Each opportunity is evaluated on its own facts. Review may include the promissory note and mortgage or security instrument, assignments and chain of title, payment history, lien position, collateral valuation, property condition, taxes, insurance, title matters, borrower or guarantor information, bankruptcy and litigation history, servicing records, maturity status, applicable limitations periods, and estimated costs and timing of recovery.

### 3. Pricing & Acquisition

Purchase pricing is intended to reflect both the potential recovery and the risks associated with achieving it. Silverback may consider collateral value, senior and junior liens, accrued interest, taxes and expenses, legal costs, servicing costs, market liquidity, borrower circumstances, expected resolution time, and multiple downside and exit scenarios before committing capital.

### 4. Workout & Resolution

Where appropriate, Silverback may seek consensual solutions before pursuing more adversarial remedies. Depending on the asset and applicable law, potential strategies can include negotiated payoff, reinstatement, modification or restructuring, discounted settlement, deed-in-lieu or other consensual collateral resolution, sale or assignment of the debt, use of qualified third-party servicing, or lawful enforcement of contractual and collateral rights.

### 5. Exit Strategy

The ultimate exit depends on the characteristics of the acquired asset. Potential outcomes may include full or negotiated repayment, sale of a re-performing or seasoned loan, resale of the note or portfolio, disposition of collateral acquired through a lawful resolution process, refinancing, or another transaction-specific monetization strategy.

### Why This Fits Silverback Universal

The distressed-debt segment extends Silverback Universal's existing focus on commercial finance, private mortgage lending, asset-based opportunities, syndication, and strategic real-estate transactions. It allows the firm to participate not only in the origination or placement of new capital, but also in the acquisition of existing credit positions where active underwriting and strategic resolution may create value.

## INVESTMENT PRINCIPLES & TRANSACTION PARAMETERS

**Asset-Level Discipline**

A distressed loan is not attractive merely because it can be purchased at a discount. Silverback's analysis is intended to determine why the asset is distressed, what rights accompany the debt, the realistic value and liquidity of the collateral, the legal and procedural path to resolution, and whether the projected return adequately compensates for the risks and time involved.

**Collateral & Priority Matter**

For secured positions, collateral quality and lien priority are central to underwriting. A substantial discount to face value may provide little protection if taxes, senior debt, environmental conditions, title defects, property deterioration, litigation, bankruptcy, or other claims materially impair the expected recovery. Conversely, a well-documented position with strong collateral may present opportunities for negotiated resolution even when current performance is weak.

**Flexible Capital**

Silverback may evaluate transactions of varying structures and sizes, individually or with capital partners where appropriate. Acquisitions may be made directly, through affiliates, special-purpose entities, joint ventures, or other properly structured investment vehicles depending on the transaction.

**Seller Solutions**

For existing lenders and asset holders, a negotiated sale can provide an alternative to continuing to carry a troubled asset, manage servicing and legal expenses, or pursue a lengthy recovery process. Silverback seeks situations in which a seller values certainty and liquidity while the acquired asset presents a viable path to resolution.

**Potential Sellers & Counterparties**

Potential counterparties may include banks, credit unions, private and hard-money lenders, mortgage funds, debt funds, family offices, institutional investors, servicers, real-estate investors, note holders, and other owners of qualifying financial assets. All transactions remain subject to Silverback's independent review, investment criteria, documentation, capital availability, and applicable legal and regulatory requirements.

**SELLING A NOTE OR DISTRESSED ASSET?**

**Silverback Universal, LLC welcomes opportunities to evaluate individual loans, secured notes, non-performing assets, and qualifying portfolios. Submission of an opportunity does not constitute an offer or commitment to purchase, finance, service, or resolve any asset.**

**Important Regulatory Notice**

The acquisition, ownership, servicing, collection, modification, enforcement, foreclosure, or disposition of debt may be subject to federal, state, and local laws and regulations, including licensing, registration, servicing, debt-collection, consumer-protection, foreclosure, tax-lien, bankruptcy, securities, and notice requirements. Requirements vary materially by asset type, borrower type, transaction structure, and jurisdiction. Silverback Universal, LLC will evaluate transaction-specific requirements and may utilize licensed servicers, attorneys, collection professionals, or other qualified third parties where required or appropriate.

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