
SALE: \$612,237,219 Commercial Equipment Lease & Loan Portfolio Sale – 7 Pools

EQUIPMENT INDUSTRIES: Aviation, Over-the-Road Transportation, Marine, Rail, Oil/Gas/Energy, Technology, Retail, Buses (School and Motor Coaches), Construction, Utilities, Manufacturing, Convenience & Gas, Food Services, and Other

PERFORMANCE: Performing (99.3% by balance), and Other (0.7% by balance)

OVERVIEW

\$612,237,219 Commercial Equipment Lease & Loan Portfolio Sale (the “Asset Sale”) conducted by Mission Capital Advisors, LLC (“Mission” or “Asset Sale Advisor”) on behalf of a Top 10 U.S. Bank (“Seller”).

SALE STRUCTURE

Mission has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of a portfolio of commercial equipment leases and loans (the “Leases”, “Loans”, “Assets”, “Pools” or collectively “the Portfolio”). The Assets are being offered on a sealed bid basis.

On behalf of the Seller, Mission is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of (i) any individual pool, (ii) any combination of pools, or (iii) the portfolio in its entirety pursuant to the Asset Sale timeline attached hereto. Bids on individual Assets will be entertained but preference will be given to bids on the pools as described herein.

Mission, in conjunction with the Seller, and at the sole and absolute discretion of the Seller, will then invite multiple bidders (the “Final Bidders”) to complete due diligence and submit non-contingent final bids for the Assets.

HIGHLIGHTS & SUMMARY

- Non-Selected Portfolio; Assets represent substantially all of Seller’s national equipment finance portfolio.
- Portfolio and Pool Stratification may be found starting on Page 2.
- Portfolio includes 468 relationships comprised of 957 schedules.
- Relationships in excess of \$1MM represent 90.0% of the Portfolio by balance.
- 80.0% of the Assets by balance are Leases (FMV, EBO, TRACs, Split TRACs). The remaining 20.0% are Loans/ Finance Leases.
- Portfolio consists of predominately “hard” and desirable Assets.
- Weighted average remaining term of 56.13 months (44.53 months excluding aviation, marine, and rail).
- 29.0% of the Portfolio by balance is investment grade rated credits (60.4% of the Portfolio by balance is credit rated).
- 52.3% of the Portfolio by balance was directly originated. Remaining Loans and Leases were acquired from top tier financial institutions.

EXHIBIT A – PORTFOLIO STRATIFICATION

Pools

	Schedules	% Schedules	Balance	% Balance	Average Balance	Original Cost	WA Origination	WA Maturity	WAC	Equipment Count
Pool 1 - Aviation	14	1.5%	\$169,937,964	27.8%	\$12,138,426	\$186,240,720	03/24/14	09/08/22	3.15%	48
Pool 2 - Large Ticket (Relationships > \$10mm)	98	10.2%	\$123,584,728	20.2%	\$1,261,069	\$178,689,463	09/02/14	10/14/19	2.70%	1,862
Pool 3 - Mid Ticket (Relationships \$1mm - \$10mm)	119	12.4%	\$93,931,262	15.3%	\$789,338	\$146,525,252	12/09/13	10/03/19	3.22%	1,747
Pool 4 - Small Ticket (Relationships < \$1mm)	653	68.2%	\$59,081,073	9.7%	\$90,476	\$195,671,394	04/30/12	01/04/18	4.68%	2,058
Pool 5 - Marine	41	4.3%	\$58,557,507	9.6%	\$1,428,232	\$67,227,068	02/07/15	08/25/19	4.59%	144
Pool 6 - Rail	9	0.9%	\$55,047,330	9.0%	\$6,116,370	\$59,165,788	04/25/14	05/19/22	2.95%	455
Pool 7 - Energy	23	2.4%	\$52,097,355	8.5%	\$2,265,102	\$71,059,572	02/17/14	01/03/22	3.71%	141
Grand Total	957	100.0%	\$612,237,219	100.0%	\$639,746	\$904,579,258	03/04/14	10/27/20	3.36%	6,455

Lease vs. Loan/Finance Lease

	Schedules	% Schedules	Balance	% Balance	Average Balance	Original Cost	WA Origination	WA Maturity	WAC	Equipment Count
Pool 1 - Aviation										
Lease	14	1.5%	\$169,937,964	27.8%	\$12,138,426	\$186,240,720	03/24/14	09/08/22	3.15%	48
Pool 2 - Large Ticket (Relationships > \$10mm)										
Lease	96	10.0%	\$112,324,875	18.3%	\$1,170,051	\$166,428,353	08/05/14	10/22/19	2.72%	1,586
Loan/Finance Lease	2	0.2%	\$11,259,853	1.8%	\$5,629,927	\$12,261,110	06/05/15	07/23/19	2.53%	276
Pool 3 - Mid Ticket (Relationships \$1mm - \$10mm)										
Lease	53	5.5%	\$45,102,026	7.4%	\$850,982	\$72,096,409	09/24/13	09/22/19	3.17%	782
Loan/Finance Lease	66	6.9%	\$48,829,236	8.0%	\$739,837	\$74,428,843	02/18/14	10/12/19	3.27%	965
Pool 4 - Small Ticket (Relationships < \$1mm)										
Lease	432	45.1%	\$34,699,038	5.7%	\$80,322	\$115,534,139	12/27/11	11/11/17	5.01%	1,184
Loan/Finance Lease	221	23.1%	\$24,382,035	4.0%	\$110,326	\$80,137,255	10/24/12	03/22/18	4.18%	874
Pool 5 - Marine										
Lease	29	3.0%	\$32,673,727	5.3%	\$1,126,680	\$36,104,384	03/23/15	07/17/18	4.62%	119
Loan/Finance Lease	12	1.3%	\$25,883,779	4.2%	\$2,156,982	\$31,122,684	12/13/14	01/15/21	4.50%	25
Pool 6 - Rail										
Lease	7	0.7%	\$43,237,312	7.1%	\$6,176,759	\$46,393,158	05/07/14	12/19/22	3.12%	453
Loan/Finance Lease	2	0.2%	\$11,810,018	1.9%	\$5,905,009	\$12,772,630	03/13/14	03/24/20	2.44%	2
Pool 7 - Energy										
Lease	19	2.0%	\$51,642,731	8.4%	\$2,718,038	\$69,252,030	02/23/14	01/18/22	3.70%	131
Loan/Finance Lease	4	0.4%	\$454,624	0.1%	\$113,656	\$1,807,542	05/09/12	05/10/17	4.05%	10
Grand Total	957	100.0%	\$612,237,219	100.0%	\$639,746	\$904,579,258	03/04/14	10/27/20	3.36%	6,455

EXHIBIT A – PORTFOLIO STRATIFICATION (CONT'D)

Credit Rated vs. Non-Credit Rated Borrower

	Schedules	% Schedules	Balance	% Balance	Average Balance	Original Cost	WA Origination	WA Maturity	WAC	Equipment Count
Pool 1 - Aviation										
Credit Rated	12	1.3%	\$169,868,338	27.7%	\$14,155,695	\$185,909,562	03/24/14	09/09/22	3.14%	30
Non Credit Rated	2	0.2%	\$69,626	0.0%	\$34,813	\$331,158	12/27/11	12/27/16	7.53%	18
Pool 2 - Large Ticket (Relationships > \$10mm)										
Credit Rated	62	6.5%	\$99,649,287	16.3%	\$1,607,247	\$147,103,004	10/12/14	09/04/19	2.53%	1,402
Non Credit Rated	36	3.8%	\$23,935,441	3.9%	\$664,873	\$31,586,459	03/17/14	03/31/20	3.53%	460
Pool 3 - Mid Ticket (Relationships \$1mm - \$10mm)										
Non Credit Rated	99	10.3%	\$73,678,016	12.0%	\$744,222	\$119,639,697	11/14/13	07/25/19	3.26%	1,342
Credit Rated	20	2.1%	\$20,253,246	3.3%	\$1,012,662	\$26,885,555	03/11/14	06/11/20	3.08%	405
Pool 4 - Small Ticket (Relationships < \$1mm)										
Non Credit Rated	635	66.4%	\$55,612,886	9.1%	\$87,579	\$187,860,628	04/26/12	12/15/17	4.71%	1,968
Credit Rated	18	1.9%	\$3,468,187	0.6%	\$192,677	\$7,810,765	06/26/12	11/12/18	4.25%	90
Pool 5 - Marine										
Non Credit Rated	41	4.3%	\$58,557,507	9.6%	\$1,428,232	\$67,227,068	02/07/15	08/25/19	4.59%	144
Pool 6 - Rail										
Credit Rated	5	0.5%	\$42,953,004	7.0%	\$8,590,601	\$45,829,514	05/16/14	01/03/23	3.11%	451
Non Credit Rated	4	0.4%	\$12,094,326	2.0%	\$3,023,581	\$13,336,274	02/09/14	02/25/20	2.50%	4
Pool 7 - Energy										
Credit Rated	4	0.4%	\$33,682,721	5.5%	\$8,420,680	\$43,398,363	05/14/14	05/19/21	3.71%	4
Non Credit Rated	19	2.0%	\$18,414,635	3.0%	\$969,191	\$27,661,209	09/14/13	02/26/23	3.71%	137
Grand Total	957	100.0%	\$612,237,219	100.0%	\$639,746	\$904,579,258	03/04/14	10/27/20	3.36%	6,455

Seller Originated vs. Purchased

	Schedules	% Schedules	Balance	% Balance	Average Balance	Original Cost	WA Origination	WA Maturity	WAC	Equipment Count
Pool 1 - Aviation										
Purchased	4	0.4%	\$76,047,141	12.4%	\$19,011,785	\$81,433,603	12/15/14	03/03/25	3.01%	19
Originated	9	0.9%	\$73,701,895	12.0%	\$8,189,099	\$80,507,924	02/01/14	01/17/21	3.07%	28
NAV	1	0.1%	\$20,188,928	3.3%	\$20,188,928	\$24,299,193	12/28/11	04/28/19	3.84%	1
Pool 2 - Large Ticket (Relationships > \$10mm)										
Purchased	55	5.7%	\$67,648,243	11.0%	\$1,229,968	\$106,308,623	11/22/14	06/16/19	2.43%	527
Originated	41	4.3%	\$52,799,823	8.6%	\$1,287,801	\$67,487,867	06/26/14	03/15/20	3.14%	1,286
NAV	2	0.2%	\$3,136,663	0.5%	\$1,568,332	\$4,892,973	12/15/12	10/19/19	3.56%	49
Pool 3 - Mid Ticket (Relationships \$1mm - \$10mm)										
Originated	83	8.7%	\$56,068,308	9.2%	\$675,522	\$86,694,142	01/18/14	02/06/20	3.15%	972
Purchased	30	3.1%	\$30,408,983	5.0%	\$1,013,633	\$47,572,090	12/18/13	04/07/19	3.58%	576
NAV	6	0.6%	\$7,453,971	1.2%	\$1,242,328	\$12,259,020	01/07/13	02/19/19	2.52%	199
Pool 4 - Small Ticket (Relationships < \$1mm)										
Originated	384	40.1%	\$32,804,060	5.4%	\$85,427	\$116,294,081	07/26/12	10/27/17	4.45%	1,392
Purchased	168	17.6%	\$21,971,929	3.6%	\$130,785	\$68,578,929	12/21/11	04/20/18	4.99%	521
NAV	101	10.6%	\$4,305,084	0.7%	\$42,625	\$10,798,384	05/03/12	12/15/17	4.67%	145
Pool 5 - Marine										
Originated	39	4.1%	\$55,044,439	9.0%	\$1,411,396	\$62,295,705	03/07/15	09/10/19	4.49%	142
Purchased	2	0.2%	\$3,513,068	0.6%	\$1,756,534	\$4,931,363	11/28/13	12/17/18	5.58%	2
Pool 6 - Rail										
Purchased	5	0.5%	\$46,958,791	7.7%	\$9,391,758	\$49,414,803	06/24/14	05/12/22	2.93%	451
Originated	4	0.4%	\$8,088,539	1.3%	\$2,022,135	\$9,750,985	05/13/13	06/27/22	5.08%	4
Pool 7 - Energy										
Originated	11	1.1%	\$41,597,803	6.8%	\$3,781,618	\$52,446,784	04/13/14	11/13/21	3.60%	20
Purchased	7	0.7%	\$10,379,698	1.7%	\$1,482,814	\$18,435,384	07/12/13	08/17/22	4.10%	116
NAV	5	0.5%	\$119,854	0.0%	\$23,971	\$177,404	09/25/14	04/06/17	7.04%	5
Grand Total	957	100.0%	\$612,237,219	100.0%	\$639,746	\$904,579,258	03/04/14	10/27/20	3.36%	6,455

ASSET SALE PROCESS

Prospective Bidders are subject to qualification by Mission and/or Seller. Participation in the Asset Sale will be provided to Prospective Bidders at the sole and absolute discretion of Mission and/or the Seller and may be withheld for any reason or no reason at all without liability to Mission and/or the Seller.

The Seller, in conjunction with Mission, has prepared an 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. Access to the Due Diligence Materials will only be provided, at the sole and absolute discretion of Mission and/or the Seller and may be withheld for any reason or no reason at all without liability to Mission and/or the Seller, to only those Prospective Bidders that the Seller has accepted their respective executed Confidentiality Agreement. Neither Mission and/or Seller nor their employees and agents make any representation or warranty with respect to any information contained within the Due Diligence Materials.

Included in the Due Diligence Materials will be a comprehensive data tape and detailed Portfolio stratification reports prepared by Mission, credit files for the underlying Assets, comprehensive bidding instructions, and the terms of sale. Due Diligence Materials may be updated periodically with relevant information on the Portfolio. Prospective Bidders are advised to review the Due Diligence Materials regularly for possible updates, any of which might amend or modify and, as applicable, supersede the prior Due Diligence Materials.

Mission is initially soliciting indicative bids for the Portfolio. 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 execution of pre-negotiated Asset Sale Agreement by Prospective Bidder accompanied by a 10% wire funds deposit). The Seller reserves the right to accept, reject or counter any or all bids and/or offers for any reason, including, but not limited to, the Prospective Bidder’s failure to comply with the terms of the Confidentiality Agreement or the procedures set forth herein. All determinations as to whether a Prospective Bidder’s bid and/or offer shall qualify such Prospective Bidder as a Final Bidder shall be made in Seller’s sole and absolute discretion.

Additional information will be provided to Final Bidders via Mission’s online due diligence site. Such information may include detailed loan documents, pay histories, loan and/or lease documents, litigation documents (if applicable), and financial statements, in both computer file and imaged formats. Due Diligence Materials may be updated periodically with relevant information on the Portfolio.

Please return an executed Confidentiality Agreement to Mission Capital at equipmentfinancesales@missioncap.com.

All inquiries should be directed through Mission Capital. Neither the Seller, Borrower, Borrower affiliates or Guarantors nor any of Borrowers or Guarantors accountants, attorneys, tenants or managing agents are to be contacted. Investors are required to strictly adhere to the terms of the Confidentiality Agreement.

TIMELINE

The transaction contemplated herein has been scheduled as follows:

ASSET SALE TIMELINE	
EVENT	DATE
Offering Memorandum Distributed	Thursday, February 18, 2016
Initial Data Distribution	Thursday, February 25, 2016
Indicative Bid Date	Friday, March 11, 2016
Final Bidder Invitation	Tuesday, March 15, 2016
Acceptance of or Comments to ASA Due	Friday, April 01, 2016
Best & Final Bid Date	Tuesday, April 05, 2016
Winning Bidder Selected	Friday, April 08, 2016
10% Deposit Due Upon Execution of Mutually Agreeable ASA	Monday, April 11, 2016
Closing Date	Friday, April 22, 2016

ASSET SALE AGREEMENT

The Seller will make its required form of Asset Sale Agreement available for review to Final Bidders. Pursuant to the Asset Sale Agreement, the Seller is selling its Assets subject only to those limited representations and warranties explicitly stated in the Asset Sale Agreement. No other representations or warranties, either expressed or implied, shall apply, and it being expected that each Final Bidder will conduct and rely on its own due diligence.

MISSION CAPITAL CONTACTS

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DISCLAIMER

The Seller reserves the right, at its sole and absolute discretion, to alter the terms and conditions, to withdraw the Asset Portfolio from the Asset Sale, or terminate, suspend or modify the terms and conditions of the sale, at any time and without any obligation to any Prospective Bidder. This offering memorandum 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 that are made by the applicable seller to a prospective bidder in a definitive, executed Asset Sale Agreement shall have any legal effect.

This Offering Memorandum is being furnished to qualified Prospective Bidders for their consideration in connection with the private commercial asset portfolio offering (this “Offering”). In making an investment decision, Prospective Bidders must rely on their own examination of the Portfolio and the terms of this Offering, including the merits and risks involved. The Portfolio has not been recommended by any federal, state or foreign securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense. An investment in the Portfolio as described in this Offering Memorandum is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Portfolio. Prospective Bidders should not construe the contents of this Offering Memorandum as legal, tax, investment or other advice. Each Prospective Bidder should make its own inquiries and consult its attorneys, business advisors and tax advisors as to the Portfolio and this Offering and as to the legal, business, tax and related matters concerning an investment in the Portfolio and this Offering. Each Prospective Bidder of the Portfolio offered hereunder must be an “accredited investor” as such term is defined in Regulation D promulgated by the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended.

IMPORTANT INFORMATION REGARDING OFFERING MEMORANDUM

1. The information (whether written, electronic or verbal) furnished by Mission and/or Seller or their affiliates or by any of their respective officers, directors, shareholders, owners, employees, contractors or agents, including that contained in this Offering Memorandum (collectively, the “Information”) is furnished solely for the purpose of a review by a Prospective Bidders of the Portfolio, and is not to be used for any other purpose or made available to any other person without the express written consent of Seller. The Information is based upon information supplied by the Seller from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and are qualified in their entirety by the actual document to which they relate.
2. Neither the Seller nor its affiliates, nor any of their respective officers, directors, shareholders, owners, employees, contractors or agents make any representations or warranties, expressed or implied, as to the accuracy or completeness of the Information. Prospective Bidders should realize that any financial projections are estimates only, and are based on factors that may change in the future. Accordingly, any such projections should not be relied upon. Prospective Bidders should make their own projections and form their own conclusions without reliance upon the material contained herein or provided by Seller and should conduct their own due diligence.
3. A Prospective Bidder’s sole and exclusive rights and remedies with respect to this prospective transaction, the Portfolio or the Information shall be limited to those expressly provided in a fully executed Asset Sale Agreement and shall be subject to the terms thereof. In no event shall a Prospective Bidder have any other claims against Seller or any of its affiliates or any of their respective officers, directors, shareholders, owners, employees or agents, for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Portfolio.
4. Prospective Bidders are not to construe the contents of this Offering Memorandum or any prior or subsequent communications from Seller or its affiliates or any of their respective officers, directors, shareholders, owners, employees or agents as legal, tax or other advice. Prior to submitting an offer, Prospective Bidders should consult with their own legal counsel, as well as tax and other advisors, to determine the consequences of an investment in the Portfolio and arrive at an independent evaluation of such investment. No brokerage commission or finder’s fee shall be payable to any party by Seller or any affiliate or agent thereof in connection with the sale of the Portfolio unless otherwise agreed to by Seller in writing. A Prospective Bidder shall be responsible for payment of all costs and expenses (including without limitation fees and expenses of legal counsel and other advisors) incurred by a Prospective Bidder in connection with this prospective transaction, and Seller shall have no liability with respect thereto.
5. Neither Seller nor its affiliates nor their respective officers, directors, employees, representatives, counsel, advisors or agents make any representation or warranty as to the accuracy or reasonableness of any projections or statements (inclusive of any assumptions therefore) set forth in this Offering Memorandum, the Due Diligence Materials, the Information, or in any other information furnished to a Prospective Bidder. No assurances can be given that any projections or statements contained herein or therein will in fact be achieved. All of the projections or statements (and assumptions therefore), and evaluations of the creditworthiness or financial condition of any borrower or guarantor or the value of the collateral, must be reviewed in the context of such Prospective Bidder’s own due diligence. Any due diligence materials made available or provided by Seller are for informational purposes only. Prospective Bidders are responsible for performing and completing their own due diligence to the extent they consider it necessary, and any decisions in taking or not taking action will be made based solely on Prospective Bidder’s own analysis and without reliance on and due diligence materials provided by Seller.
6. Acquisitions of Assets such as the Portfolio described herein involve a high degree of risk and are suitable only for persons and entities of substantial financial means who have no need for liquidity and who can hold the Portfolio indefinitely and bear the partial or entire loss of the value of such Portfolio. In connection with the sale of the Portfolio as contemplated hereby the Portfolio shall not be deemed a “security” under the Securities Act and as such the protections of such act will not apply to the sale of the Portfolio hereunder.