

SALE ANNOUNCEMENT

\$18,652,812 C&I Relationship Loan Sale

INDUSTRY: Ammunition Manufacturing, Wholesaling & Direct to Consumer Retailing

PERFORMANCE: Sub-Performing (Covenant Defaults)

COLLATERAL: Real Estate, Accounts Receivable, Inventory, and Equipment

Overview

\$18,652,812 C&I Relationship Loan Sale (the “Loan Sale”) conducted by Mission Capital Advisors, LLC (“Mission” or “Loan Sale Advisor”) on behalf of an unidentified Seller (“Seller”).

Sale Structure

Mission has been retained as the exclusive Loan Sale Advisor for the sale of a sub-performing C&I loan relationship secured by various business assets (the “Loans”, “Relationship” or “Assets”). The Loans are being offered on a sealed bid basis.

Mission is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of the entire Relationship pursuant to the Loan Sale timeline attached hereto.

Mission, 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 complete due diligence and submit non-contingent bids for the Loans.

The sale must be completed according to the timeline attached hereto; investors will be required to finalize the loan sale agreement prior to the final bid date.

Highlights & Loan Summary

The Loan Sale offers Prospective Bidders the opportunity to acquire a Relationship secured by accounts receivable, inventory, equipment, and real estate assets.

- The borrower has three main business lines: (i) production of small arms ammunition sold through its direct to consumer website with over 800,000 customers; (ii) OEM and wholesale production of small arms ammunition; (iii) manufacturing and repair of small arms ammunition manufacturing equipment.
- The subject Relationship consists of term loans and a credit facility to the borrower.
- The sub-performing Relationship is paid current and has an attractive 5.65% WAC.
- Real estate collateral consists of a one-building warehouse & distribution facility and a four-building manufacturing facility located in Lewiston, ID. Combined, the five buildings contain over 88,000 sf situated on 6 acres.

Relationship Information

Status	Sub-Performing
Number of Loans	9
Original Balance	\$17,500,000
Current UPB (as of 3/30/17)	\$18,652,812
WA Rate	5.65%
Rate Type	Variable
WA Origination Date	10/19/2014
WA Maturity Date	3/13/2019
WA Interest Paid to Date	3/3/2017
WA Next Due Date	2/19/2017

Sale Structure

Prospective Bidders are subject to qualification by Mission and/or Seller (qualification process will be initiated by Mission as deemed necessary). Access to the Due Diligence Materials will be provided to Prospective Bidders solely at the discretion of Mission and/or the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission, have 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 www.missioncap.com/transactions. Included in the Due Diligence Materials will be an Offering Memorandum for the Assets (the “Offering Memorandum”) prepared by Mission, comprehensive bidding instructions, the terms of sale and the Seller’s required form of Loan Sale Agreement for Sale and Purchase of Loan (the “Loan Sale Agreement”).

Mission is initially soliciting indicative bids for the Assets. Prospective Bidders are encouraged review the Due Diligence Materials and submit indicative bids in accordance with the proposed timeline

Additional information will be provided to Bidders via Mission’s online due diligence site. Such information may include detailed loan documents, pay histories, environmental reports, litigation documents (if applicable), and financial statements, in both computer file and imaged formats.

Please e-sign or return an executed Confidentiality Agreement to Katie Juarez at kjuarez@missioncap.com. **PLEASE NOTE THAT E-SIGNATURES WILL BE PROCESSED IN TOP PRIORITY WHILE EMAIL SIGNATURES 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.

Timeline

The transaction contemplated herein has been scheduled as follows:

Loan Sale Timeline	
Event	Date
Sale Announcement Distributed	Tuesday, April 04, 2017
Initial Data Distribution	Thursday, April 06, 2017
Indicative Bid Date	Tuesday, April 25, 2017
Acceptance of or Comments to LSA Due	Wednesday, May 24, 2017
Best & Final Bid Date	Thursday, May 25, 2017
Winning Bidder Selected	Friday, May 26, 2017
10% Non-Refundable Deposit Due	Tuesday, May 30, 2017
Closing Date	Tuesday, June 06, 2017

Loan Sale Agreement

The Seller will make its required form of Loan Sale Agreement available to Final Bidders. Pursuant to the Loan Sale Agreement, the Seller is selling its Loan 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.

Mission Capital Contacts

Loan Sale Discussions

Stephen Emery
semery@missioncap.com

Michael Britvan
mbritvan@missioncap.com

Balin Michael
bmichael@missioncap.com

Data Requests

Jonathan Schwartz
jschwartz@missioncap.com

Additional Contacts

Wm. David Tobin
dtobin@missioncap.com

Joseph A. Runk
jrunk@missioncap.com

Will Sledge
wsledge@missioncap.com

Tom Hall
thall@missioncap.com

Chad Coluccio
ccoluccio@missioncap.com

Jason Cohen
jcohen@missioncap.com

Jordan Ray
jray@missioncap.com

Kyle Kaminski
kkaminski@missioncap.com

Adam Grant
agrants@missioncap.com

Don Pavlov
dpavlov@missioncap.com

Disclaimer

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR LOAN SALE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, AT ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE ASSETS 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 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 LOAN SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.