



504 ACE

Accelerated Capital Express

Structured Credit Debt Fund

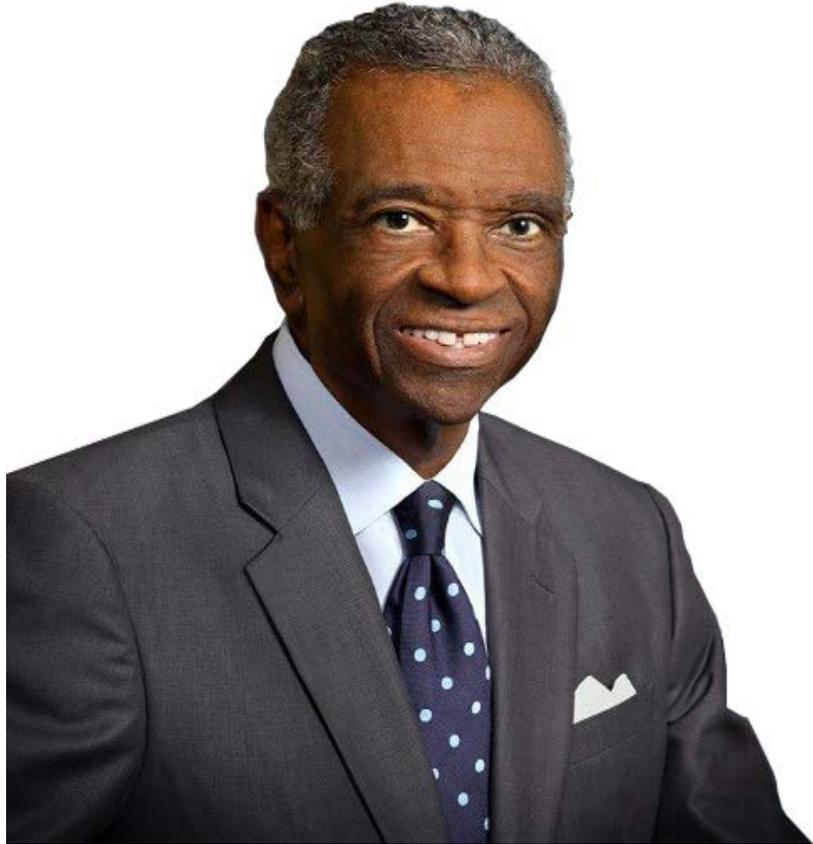
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504 ACE Debt Fund Overview

Executive Management



- Michael Banner is the President and Chief Executive Officer and is responsible for the daily operations of the Los Angeles LDC (“LDC”). He has been active in the area of community development finance for the past 30 years. Prior to becoming active in community development, Michael Banner was a banking executive specializing in commercial lending with several major California banks; additionally, he has an extensive background utilizing both private and public funds to stimulate revitalization in distressed neighborhoods. He is a key leader with the Urban Land Institute and has served on its Board of Trustees and held the special position of ULI Inner City Advisor.

Fund Overview

- In 2014, the 504 ACE Loan Fund I completed distribution of 100% of its invested capital
- The Fund generated an unleveraged “cash on cash” market rate of return of not less than \$2,063,184 with the average ROA of 5.34% and ROE of 5.46% for this double bottom community development investment
- Met and exceeded the double bottom line goals we established in 2004
- This success was especially impactful given the significant number of minority led enterprises we assisted and the dire economic conditions under which we have operated during the Great Recession between 2008 and 2010



Fund Structure

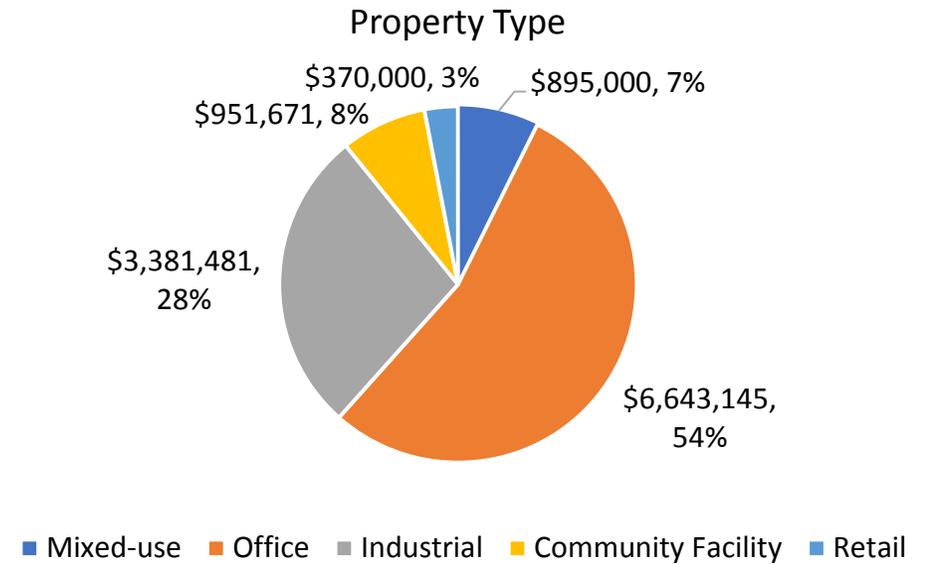
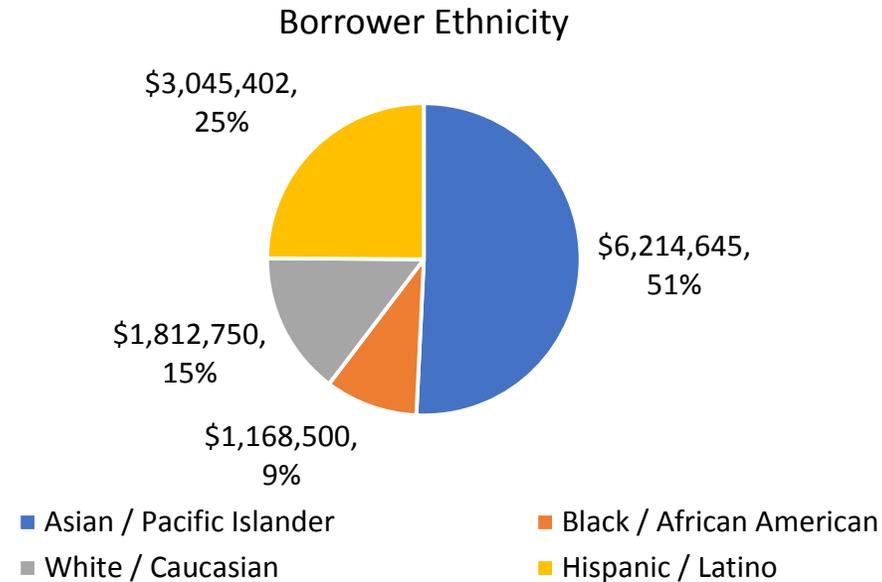
- **Objective:** Provide the most flexible commercial real estate lending program to serve borrowers operating in distressed neighborhoods.
 - The social objective of the fund is to stimulate job creation and revitalization by providing capital to assist the expansion of the small businesses and catalytic real estate development.
 - 504 ACE Debt Fund was established to provide long term permanent financing.
- **Use of Funds:** Funds may be used for commercial/industrial real estate acquisition, construction or renovation, and leasehold improvements.
- **Eligibility Criteria:** To be eligible, a business must meet the following: (1) have at least a three year operating history (2) a tangible net worth (3) a previous two-year average annual net profit (4) owner occupied and investor transactions are eligible (5) there must be sufficient cash flow on a historic basis to cover projected debt service and (6) Borrower must have an acceptable credit history. Non-profit companies are eligible.

Fund Structure (Cont.)

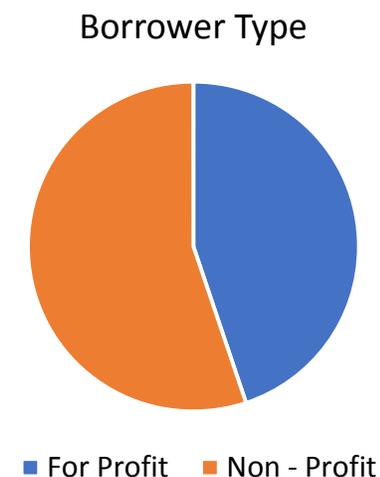
- **Loan Amounts:** Loan amounts range from \$250,000 to \$2 million for projects meeting the LDC's community impact goals which include: business district revitalization, expansion of exports and expansion of minority business development.
- **Fees:** Loan fees are approximately 2.5% - 3.5% of the loan amount plus \$2,000 for documentation and closing cost.
- **Rate:** Fixed rate or variable rate pricing is available and determined at the time of commitment. Pricing is normally based on Treasury Market Rate plus market driven spread and servicing fee.
- **Term:** The maximum term shall not exceed 10 years with amortization up to 25 years.
- **Collateral:** The primary collateral shall be a first and/or second deed of trust on real estate and/or security interest in equipment or machinery. Personal guarantees will also be required.

Fund I Overview

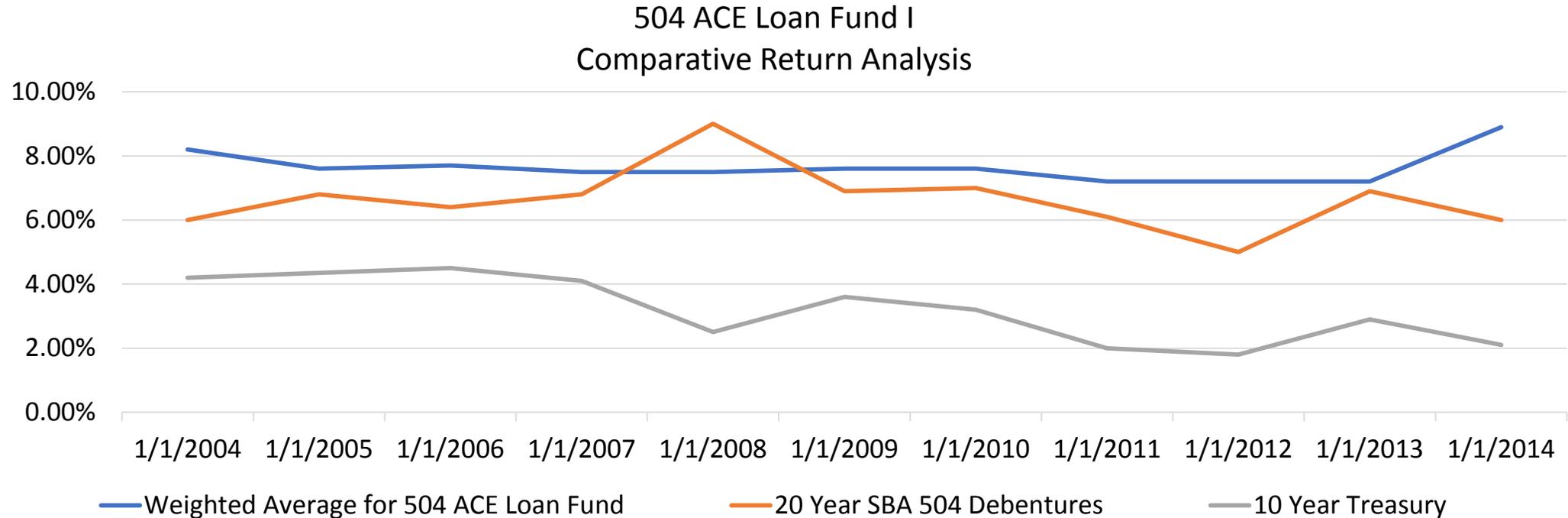
Fund I Impact Analysis



- Diverse fund portfolio demonstrates an impressive composition of borrowers, property types and businesses
- Indicates a concerted effort to deploy capital to underserved entrepreneurs of ethnic communities and non-profit enterprises

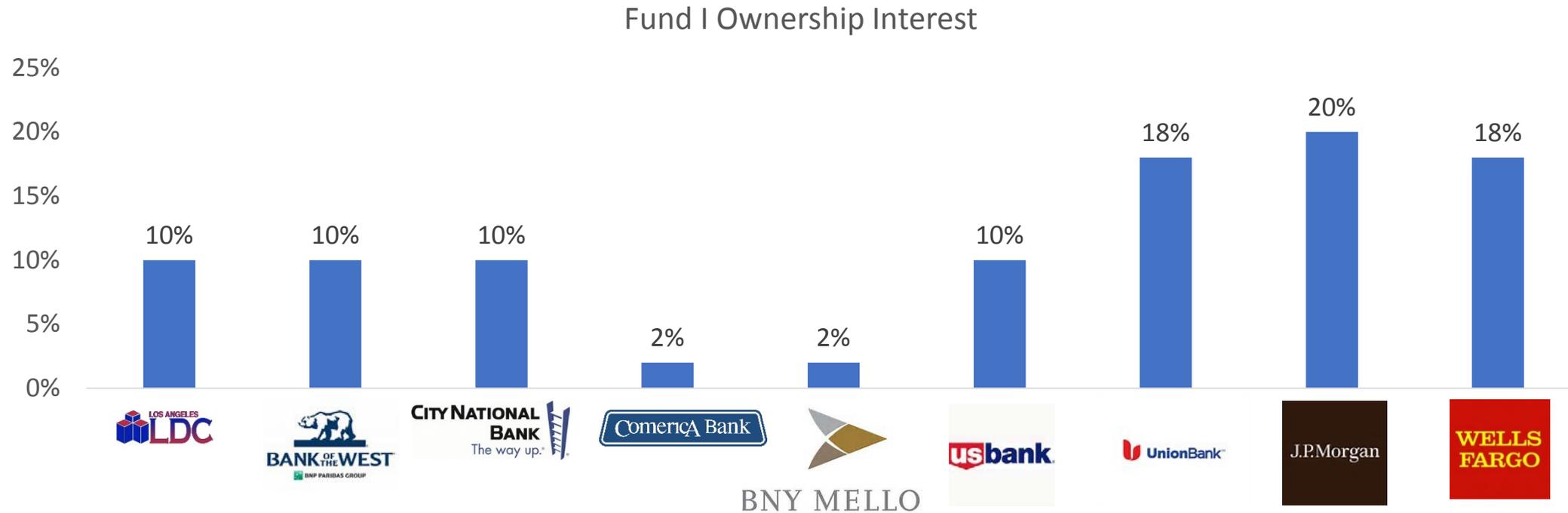


Fund I Returns Analysis



- Loan Fund I provided above market returns to investors, outpacing competitor securities for the vast majority of the fund's first lifecycle
- Impressive performance between 2004 and 2014 demonstrates that above market returns can be realized by investors involved in mission-driven underwriting

Fund I Ownership Overview



- Fund I comprises some of the world's elite financial institutions
- The Fund's strong Limited Partner base indicates overwhelming confidence in the mission and strategy executed by the 504 ACE Loan Fund operating team
 - Currently entertaining strong interest in Fund II participation, with some of the largest stake holders in the previous entity already indicating various forms of commitment