

2019

MEDALIST CAPITAL
CELEBRATING **FIFTEEN** YEARS

START-OF-THE-YEAR UPDATE

LETTER FROM THE PRESIDENT

January 16, 2018 – “As I enjoy this snowstorm in Chapel Hill, I will use it as a metaphor for my final message: If you believe there is an economic or geopolitical snowstorm looming on the horizon, make sure you’re stranded in a good place when it hits so you can easily get to the other side.”

The above was my closing to last year’s letter. I should have sent it to all those stock market bulls. Our commercial real estate markets continued to perform well in 2018, the seventh-plus year of expansion. Generally, supply and demand in most product types are healthy, especially considering that we are so late in the cycle. Bank construction lending remains disciplined and measured, which contributes to this healthy environment we are enjoying. In past cycles, banks would get overzealous and too competitive late in the cycle, pushing too much capital into the market at leverage points that were increasingly dangerous – until we all went off the cliff. Not this time! But we are still at a vulnerable spot. Being an illiquid asset class, we need to be aware that forces outside our real estate world can impact us severely and quickly. There are many potential triggers domestically and geopolitically. (I will not give you my list because it may taint the good news of this letter!) Know that an event that causes uncertainties, fear and/or losses will likely cause a rush to liquidity, and that alone will change the velocity of our commercial real estate world. Manage your leverage, your recourse and your maturities, and you will float right through whatever may be on the horizon.

Medalist Capital enjoyed one of its best years ever in 2018, originating 106 transactions totaling \$1.2 billion. We are proud members of REFA, a nationwide peer group of eight similar companies. Our REFA group originated 571 transactions totaling \$6.37 billion. Medalist continues to grow its servicing platform with 450 loans aggregating over \$2.6 billion and ZERO delinquencies. The REFA platform has 2,225 loans and \$15.8 billion in outstanding loans. I would be remiss if I did not recognize Howard Brooks (Raleigh office) and the exceptional year he had in 2018. He sets a great example for all of us at Medalist. Our lender relationships enable our Medalist team to deliver the best capital solutions in the Southeast and beyond. Our most loyal borrowers (many of whom are responsible for the 88 percent repeat client stat) can attest to the accretive value that comes with these lender relationships that we work so hard to cultivate and share.

In a world that seems to get faster and less personal every day, Medalist still adheres to the old-school way of building relationships and managing each transaction with special attention and care. We are grateful for every relationship we have, which includes our correspondent life companies and other lending sources, our borrowers, our closing professionals, and many community friends who refer us new clients and ideas. In March, Medalist will celebrate its 15th year. It has been a wonderful journey with many true friends. You know the role you have played, and we thank you for it! I am fortunate to have the trust and support of this incredible group of co-workers.

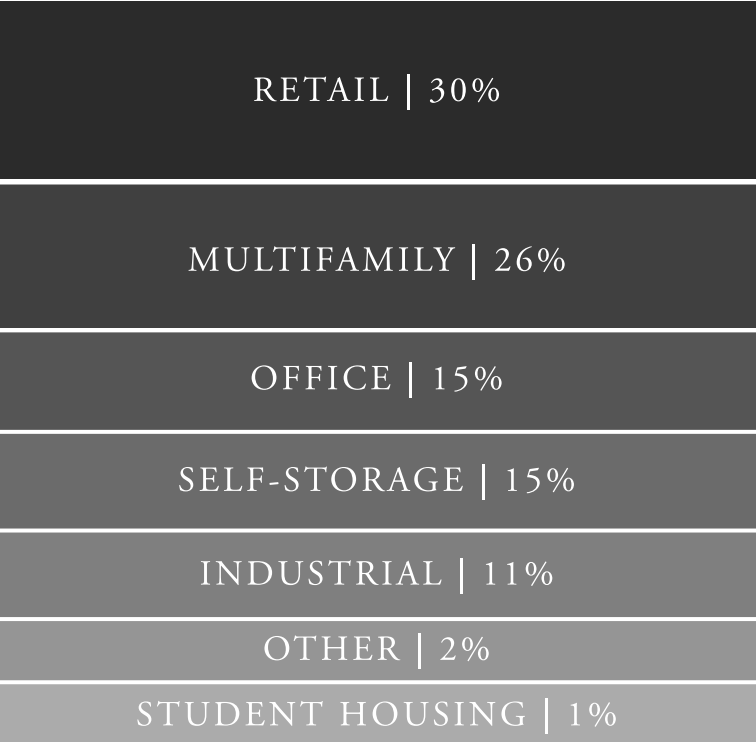
In closing, 2019 will be an interesting year. We are blessed by a long expansion, healthy supply and demand, cities of growing popularity and job growth, and continued low cost of capital. However, I think there is a “bump” in 2019, so align yourself with trustworthy partners and vendors who will go the extra mile even when it is uphill. Medalist is poised for another exceptional year, mainly because our relationships in all corners enable success!



DON G. WILLIAMS
President
Medalist Capital

2018 BY THE NUMBERS

Medalist Capital had a fantastic 2018, making it one of our best years since inception. We could not have done it without our loyal client base and our incredible lender network. We continue to have access to what we consider the best lenders in the business! Please find some highlights of our successful 2018 “by the numbers”:



Note: Graph above displays the number of deals by industry in 2018.

Medalist started 2018 with a huge pipeline, which produced record results for the first quarter. The second and third quarters were steady, and we finished the year with a bang with an amazing fourth quarter. As you can see above, we had success with the traditional product types and another good year with self-storage.

There will be a big Medalist contingent at the MBA (Mortgage Bankers Association) conference in San Diego from Feb. 10-12. We will be slammed with meetings, and we always look forward to the buzz around the conference. We are expecting many of our lending sources to continue expanding their commercial mortgage portfolios, which is always good news for our clients and prospects.

Let’s make 2019 (our 15th year) another great year! We have a steady backlog going into 2019, which should continue to grow in the months ahead. Since the inception of Medalist in 2004, we have closed nearly 1,185 loans totaling \$10.9 billion, and we want to thank our business partners for their confidence in Medalist Capital!

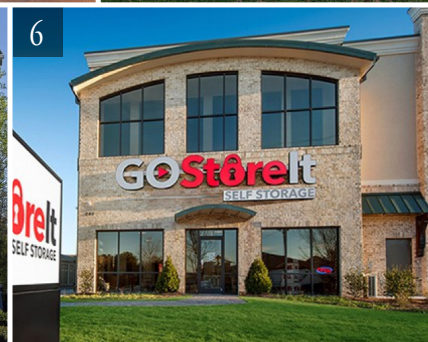
Closed nearly
\$1.2 billion
in loans

Completed
106
transactions

Utilized
43
separate lending institutions

Originated loans in
13
states

A servicing portfolio of
\$2,631,684,565



PROMINENT DEALS IN 2018

1 - Bridgeport Center I | *Mount Pleasant, SC*

Medalist Capital arranged a \$5.5 million nonrecourse loan with a life insurance company for the refinance of a 30,792-square-foot, Class A office building. The asset is located at the foot of the Arthur Ravenel Jr. Bridge, just across the Cooper River from downtown Charleston in Mount Pleasant, South Carolina. This repeat client is a successful full-service commercial real estate firm with a large footprint in the Southeast.

2 - Pershing Point | *Atlanta, GA*

Medalist Capital arranged \$62.6 million in financing with a CMBS lender for the acquisition of Pershing Point. Pershing Point is a Class A office asset totaling more than 409,000 square feet in the heart of Atlanta's Midtown submarket. This repeat client is a successful full-service commercial real estate firm with a large footprint in the Southeast.

3 - Brookwood XI | *Charlotte, NC*

Medalist Capital was pleased to arrange \$4.5 million in permanent financing for Brookwood XI, a 91,200-square-foot rear-loading industrial warehouse building. The property is located within the Brookwood Business Park off of Westinghouse Boulevard in southwest Charlotte, offering easy access to I-77, I-485 and the Charlotte Douglas International Airport. This fixed-rate loan was funded by a life insurance company on behalf of an existing client.

4 - Kenton Circle | *Huntersville, NC*

Medalist Capital arranged \$16.2 million in permanent debt with a life insurance company for the refinance of Kenton Circle in Huntersville, North Carolina. This office asset totals approximately 135,000 square feet across three buildings and is tenanted by several large financial institutions. Medalist Capital was pleased to represent its client in the financing of this asset.

5 - Indigo Apartments | *Morrisville, NC*

Medalist Capital arranged \$41.3 million in financing with a CMBS lender for the acquisition of Indigo Apartments in Morrisville, North Carolina. Indigo Apartments is a 489-unit multifamily property located just east of Research Triangle Park. The client is a successful developer of multifamily and mixed-use assets across the Southeast.

6 - Go-Store-It Suwanee | *Suwanee, GA*

Medalist Capital arranged financing for the acquisition of this 553-unit self-storage facility in Suwanee, Georgia. The \$5.8 million floating-rate loan was funded by a local community bank. Medalist Capital is pleased to represent this repeat client, a successful developer of multifamily and self-storage assets across the Southeast.

7 - University Tower | *Durham, NC*

Medalist Capital arranged \$29 million in financing with a CMBS lender for University Tower in Durham, North Carolina. University Tower is a 17-story Durham landmark building, offering unique Class A office space with stunning views of Durham and Chapel Hill. This repeat client is a successful full-service commercial real estate firm with a large footprint in the Southeast.

8 - Hollymead Town Center | *Charlottesville, VA*

Medalist Capital arranged \$27.3 million in financing with a life insurance company for the acquisition of a 158,000-square-foot shopping center in Charlottesville, Virginia. The center is anchored by a Harris Teeter and PetSmart. Medalist was proud to represent its repeat client in the financing of this asset.

9 - Falls Valley Medical Office | *Raleigh, NC*

Medalist Capital arranged a \$2.8 million loan for the refinance of the Falls Valley Medical Office in Raleigh, North Carolina. The office is approximately 16,000 square feet and is fully occupied to several local medical practices. This nonrecourse permanent loan was financed with a life insurance company on behalf of an existing client.

PROMINENT DEALS IN 2018

10 - Morgan Lakes Industrial – World Distribution Services | Pooler, GA

Medalist Capital arranged an \$8.3 million floating-rate loan for the refinance of the World Distribution Services Georgia warehouse, a 250,000-square-foot industrial facility located on Morgan Lakes Industrial Boulevard in Pooler, Georgia. This permanent loan was funded by a life insurance company on behalf of an existing client.

11 - 525 East Apartments | Charlotte, NC

Medalist Capital arranged a \$4 million permanent loan for 525 East Apartments in Charlotte's Dilworth neighborhood. The property consists of 24 high-end apartment units and was built in 2017. Medalist Capital was pleased to represent its existing client in the financing of this unique, well-located asset.

12 - Crystal Center | Crystal, MN

Medalist Capital arranged \$20.7 million in financing with a CMBS lender for the acquisition of a 214,000-square-foot shopping center in Crystal, Minnesota. The center is tenanted by a strong roster of local and national brands and is located within a strong suburb of Minneapolis. Medalist is proud to represent this repeat client, a successful, local commercial real estate firm with a national footprint.

13 - Wawa | Washington, D.C.

Medalist Capital arranged a \$17 million loan with a life insurance company for the new Wawa store in the Georgetown neighborhood of Washington, D.C. The store took the place of Restoration Hardware, which closed last summer. It is Wawa's second D.C. location. Medalist Capital was pleased to represent its client in the financing of this trophy asset.

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OUR INVOLVEMENT WITH REFA

Medalist Capital is a member of Real Estate Finance Associates (REFA), a national affiliation of independent mortgage banking firms. Created in 1979, REFA evolved from the pioneering James W. Rouse & Company, the commercial mortgage banking affiliate of the prominent regional mall developer.

REFA allows associated firms to share information concerning capital markets and lenders with the ability to obtain real-time information on markets and lending conditions throughout the country. REFA member firms frequently assist one another when real estate owners from one market own properties in different markets.

There are currently eight REFA companies with 24 offices and 60 originators generating \$6.4 billion in loan volume in 2018.

REFA members collectively have mortgage loan correspondent or servicing relationships aggregating over \$15 billion with more than 60 national lenders, including life insurance companies, pension fund advisors and CMBS issuers. (Real Estate Finance Associates has no connection with the Greater Boston Real Estate Board's REFA affiliate, which was established in 1987.)



Real Estate Finance Associates:
Your preferred mortgage bankers since 1979

refa



2018 Loan Volume: \$6.4 Billion
2018 Servicing Portfolio: \$15.8 Billion
2018 Deal Volume: 571



Membership Network:
8 Firms
24 Offices
60 Originators



International Reach:
USA and Canada

MEDALIST ON THE MOVE



Austin Sneed | Charleston Office

Austin joined Medalist Capital as an analyst in April 2018. Before that, he worked with SunTrust Mortgage in Charleston, South Carolina, originating residential mortgages. He also completed the Mortgage Loan Associate (MLA) program through SunTrust in Richmond, Virginia.

He is a graduate of Clemson University, where he earned a BS in finance with an emphasis in financial services and a minor in accounting. He is still involved with Clemson as an IPTAY member. Austin is actively involved in the community, serving as a member of the Town of Mount Pleasant Comprehensive Plan Forum and the Town of Mount Pleasant Citizens Water Academy.

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CHARLOTTE

RALEIGH



CHARLESTON

ATLANTA