



The Bank of New York Mellon Trust Company, National Association

**BALBOA BAY LOAN FUNDING 2020-1 LTD
BALBOA BAY LOAN FUNDING 2020-1 LLC**

**NOTICE OF PROPOSED THIRD SUPPLEMENTAL INDENTURE AND NOTICE OF
OPTIONAL REDEMPTION BY REFINANCING**

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED HOLDERS AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER.

October 28, 2024

To: The Holders of the Notes as described below:

	CUSIP* Rule 144A	ISIN* Rule 144A	CUSIP (CINS)* Reg S	ISIN* Reg S
Class A-R Notes	05766BAJ7	US05766BAJ70	G0713CAE4	USG0713CAE42
Class B-R Notes	05766BAL2	US05766BAL27	G0713CAF1	USG0713CAF17
Class C-R Notes	05766BAN8	US05766BAN82	G0713CAG9	USG0713CAG99
Class D-R Notes	05766BAQ1	US05766BAQ14	G0713CAH7	USG0713CAH72
Class E-R Notes	05766CAE6	US05766CAE66	G0714DAC5	USG0714DAC59
Subordinated Notes	05766CAC0	US05766CAC01	G0714DAB7	USG0714DAB76

	CUSIP* Accredited Investor	ISIN* Accredited Investor
Subordinated Notes	05766CAD8	US05766CAD83

To: Those Additional Addressees listed on Schedule I hereto

Reference is made to that certain Indenture dated as of December 22, 2020 (as supplemented by that certain First Supplemental Indenture dated as of December 23, 2021, as further supplemented by that certain Second Supplemental Indenture dated July 3, 2023, and as may be further amended, modified or supplemented from time to time, the “Indenture”) among

* No representation is made as to the correctness of the CUSIP, CINS or ISIN numbers either as printed on the Notes or as contained in this notice. Such numbers are included solely for the convenience of the Holders.

Balboa Bay Loan Funding 2020-1 Ltd, as Issuer (the “Issuer”), Balboa Bay Loan Funding 2020-1 LLC, as co-issuer (the “Co-Issuer,” and together with the Issuer, the “Co-Issuers”), and The Bank of New York Mellon Trust Company, National Association, as Trustee (the “Trustee”). Capitalized terms used herein without definition shall have the meaning given to such terms in the Indenture.

I. Notice of Proposed Third Supplemental Indenture.

Pursuant to Section 8.3(b) of the Indenture, the Trustee hereby provides notice of a proposed third supplemental indenture to be entered into pursuant to Section 8.1(a)(xvii) of the Indenture (the “Third Supplemental Indenture”), which will supplement the Indenture according to its terms and which will be executed by the Co-Issuers and the Trustee, with the consent of the Collateral Manager and a Majority of the Subordinated Notes, upon satisfaction of all conditions precedent set forth in the Indenture and the Third Supplemental Indenture. A copy of the proposed Third Supplemental Indenture is attached hereto as Exhibit A.

PLEASE NOTE THAT THE ATTACHED THIRD SUPPLEMENTAL INDENTURE IS IN DRAFT FORM AND SUBJECT TO CHANGE PRIOR TO, AND CONDITIONED UPON THE OCCURRENCE OF THE SECURED NOTES.

The Third Supplemental Indenture shall not become effective until the execution and delivery of the Third Supplemental Indenture by the parties thereto and the satisfaction of all other conditions precedent set forth in the Indenture and the Third Supplemental Indenture. Please note that the Co-Issuers and the Trustee will enter into the Third Supplemental Indenture no earlier than three (3) Business Days after this notice is given.

THE TRUSTEE MAKES NO STATEMENT AS TO THE RIGHTS OF THE HOLDERS OF THE NOTES IN RESPECT OF THE THIRD SUPPLEMENTAL INDENTURE AND MAKES NO RECOMMENDATIONS AS TO ANY ACTION TO BE TAKEN OR NOT TO BE TAKEN WITH RESPECT TO THE THIRD SUPPLEMENTAL INDENTURE OR OTHERWISE AND ASSUMES NO RESPONSIBILITY FOR THE CONTENTS, SUFFICIENCY OR VALIDITY OF THE THIRD SUPPLEMENTAL INDENTURE. HOLDERS ARE ADVISED TO CONSULT THEIR OWN LEGAL OR INVESTMENT ADVISOR.

II. Notice of Optional Redemption by Refinancing.

Pursuant to Sections 9.2(a) and 9.4(a) of the Indenture, Holders of at least a Majority of the Subordinated Notes, with the consent of the Collateral Manager, have directed the Co-Issuers to cause an Optional Redemption of the Secured Notes, in whole but not in part, from Refinancing Proceeds and all other funds available for such purpose under the Indenture (the “Optional Redemption by Refinancing”).

In accordance with Section 9.4(a) of the Indenture, and at the direction of the Issuer, the Trustee hereby provides notice of the following information relating to the Optional Redemption by Refinancing:

The Redemption Date shall be November 4, 2024.

The Redemption Price of each Class Secured Notes shall be:

for the Class A-R Notes – **U.S. \$[•]** (an amount equal to 100% of the Aggregate Outstanding Amount of the Class A-R Notes plus accrued and unpaid interest thereon (including any defaulted interest and any interest on defaulted interest), to the Redemption Date);

for the Class B-R Notes – **U.S. \$[•]** (an amount equal to 100% of the Aggregate Outstanding Amount of the Class B-R Notes plus accrued and unpaid interest thereon (including any defaulted interest and any interest on defaulted interest), to the Redemption Date);

for the Class C-R Notes – **U.S. \$[•]** (an amount equal to 100% of the Aggregate Outstanding Amount of the Class C-R Notes plus accrued and unpaid interest thereon (including any defaulted interest and any interest on defaulted interest or any Deferred Interest), to the Redemption Date);

for the Class D-R Notes – **U.S. \$[•]** (an amount equal to 100% of the Aggregate Outstanding Amount of the Class D-R Notes plus accrued and unpaid interest thereon (including any defaulted interest and any interest on defaulted interest or any Deferred Interest), to the Redemption Date); and

for the Class E-R Notes – **U.S. \$[•]** (an amount equal to 100% of the Aggregate Outstanding Amount of the Class E-R Notes plus accrued and unpaid interest thereon (including any defaulted interest and any interest on defaulted interest or any Deferred Interest), to the Redemption Date).

All of the Secured Notes are to be redeemed in full and interest on such Secured Notes shall cease to accrue on the Redemption Date. The Subordinated Notes will not be redeemed on the Redemption Date but may receive funds on the Redemption Date. The Optional Redemption by Refinancing may be cancelled subject to certain conditions, as set forth in the Indenture.

Notwithstanding anything herein to the contrary, the completion of the Optional Redemption by Refinancing described herein is subject to the satisfaction of any additional conditions to the Optional Redemption by Refinancing set forth in the Indenture. With respect to any Secured Notes in the form of a Certificated Notes, payment on such Certificated Notes will be made only upon presentation and surrender of such Certificated Notes to the Trustee by one of the following methods:

By Express Delivery or Hand Delivery:

The Bank of New York Mellon Trust Company, National Association
Global Corporate Trust
Attention: Transfers/Redemptions
500 Ross Street, Suite 625
Pittsburgh, Pennsylvania 15262

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, paying agents are required to withhold a percentage of gross payments to Holders who are United States persons for U.S. tax purposes and fail to provide a valid taxpayer identification number, or who are not United States persons and fail to provide an appropriate IRS Form W-8, on or before the date upon which Secured Notes are presented for payment. Holders who are United States persons are additionally subject to a monetary penalty for failure to provide a taxpayer identification number. To avoid this withholding, when presenting Secured Notes for payment, please submit a form W-9 if you are a United States person, or an appropriate form W-8 if you are not a United States person, or other appropriate IRS form.

Should you have any questions, please contact Bobbi Pflieger at (713) 483-6474 or at Ruben.Castellano@bny.com.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee**

SCHEDULE I
Additional Addressees

Issuer:

Balboa Bay Loan Funding 2020-1 Ltd
c/o Walkers Fiduciary Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands
Attention: The Directors
Email: fiduciary@walkersglobal.com

Co-Issuer:

Balboa Bay Loan Funding 2020-1 LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711
Attn: Donald J. Puglisi
Email: dpuglisi@puglisiassoc.com

Collateral Administrator/Information

Agent:

Email: BalboaBayLF2020-1@bnymellon.com

Cayman Islands Stock Exchange

Cayman Islands Stock Exchange, Listing
PO Box 2408
Grand Cayman, KY1-11-5
Cayman Islands
Email: listing@csx.ky; csx@csx.ky

Collateral Manager:

Pacific Investment Management Company LLC
650 Newport Center Drive
Newport Beach, CA 92660
Attention: Josh Anderson & Darren Thomas
Email: Josh.Anderson@pimco.com;
Darren.Thomas@pimco.com;
Balboabaynotices@pimco.com

with a copy to:

Pacific Investment Management Company LLC
– Office of the General Counsel
1633 Broadway, 44th Floor
New York, NY 10019
Attention: Sajeel Bhagwanjee
Email: Sajeel.Bhagwanjee@pimco.com;
AltsParalegals@pimco.com;
TheVault@pimco.com

Rating Agencies:

S&P Global Ratings
Email: cdo_surveillance@spglobal.com

DTC, Euroclear & Clearstream (if applicable):

Submit to DTC's Legal Notice System (LENS)
via the Issuer Agent Portal (IAP) at
<https://issueragentservices.dtcc.com/>
and send to

redemptionnotification@dtcc.com
voluntaryreorgannouncements@dtcc.com
eb.ca@euroclear.com
ca_mandatory.events@clearstream.com

EXHIBIT A

PROPOSED THIRD SUPPLEMENTAL INDENTURE