



Colonial Capital Loan Summary

Quantico Plastics Group, Inc.

Purpose:

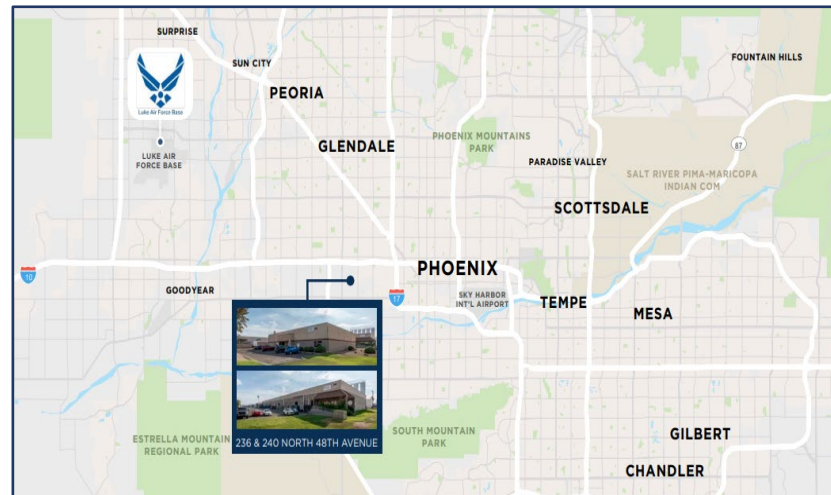
The refinance of two industrial properties totaling +/- 94,720-SF located at 240 & 236 N 48th Ave, Phoenix, AZ 85043 and further identified as APN # 104-02-005L, 005N & 005P, Maricopa County, AZ.

This asset consists of two industrial buildings totaling +/- 94,720-SF on +/- 5.28 acres of industrial zoned land. 240 North 48th Avenue is currently 100% leased to Zummit Plastics (58,260-SF) and Lord & Sons (24,980-SF, totaling 83,200-SF). 236 North 48th Avenue is currently 100% leased to Zummit Plastics (11,520-SF).

The Guarantor, Miguel Luna, is a first-time borrower with Colonial. Miguel plans on using the funds to pay off an expiring bank note before the company sells the subject property. Luna was referred to Colonial by Gary Anderson and Phil Haenel with Cushman & Wakefield, the selling Broker

Funding Date:

~December 6, 2023



Property Address:

236 & 240 North 48th Avenue, Phoenix, AZ 85043

Major Deal Points

Loan Amount:	\$7,000,000
Rate:	12.00% per annum
Maturity:	12 Months.
Term:	Monthly interest only payments, with the outstanding balance due in 12 months from the date of the note.
Minimum Interest:	4.5 Months (\$315,000)
Borrower:	LL Capital Investments LLC
Guarantors:	Miguel Luna 16156 W Shiloh Goodyear, AZ 85338
Default Rate:	22.00% per annum.

Investor and Colonial Capital, LLC will share 50/50 all per diem
Default Interest Collected



NON-DISCLOSURE & CONFIDENTIALITY AGREEMENT

Thank you for your interest in the investment opportunities offered by Colonial Capital, LLC and/or Colonial Management, LLC. In order to more fully evaluate the investment opportunities, Colonial shall provide you with certain information and financials which are proprietary and/or legally protected confidential information ("Confidential Information"). All Confidential Information is being provided strictly for evaluating the offered investment opportunity. By receiving the Confidential Information, you are expressly agreeing to the following terms and conditions:

- 1. Non-Use and Non-Disclosure.** In the course of evaluating the investment opportunity offered by Colonial, you will receive Confidential Information concerning the investment and the parties involved in the investment opportunity. At all times, you shall hold the Confidential Information in strict secrecy and confidence and shall not disclose, divulge, provide or otherwise make available any Confidential Information, or any portion or summary thereof, to any person or entity without Colonial's prior written consent. Furthermore, you shall use the Confidential Information solely for the purpose of evaluating whether to enter into the investment opportunity offered by Colonial. You hereby acknowledge that the Confidential Information is and shall remain the property of Colonial at all times, and that such Confidential Information shall not be used in any way detrimental to Colonial, its investors, or any matter, entity or individual related to the investment opportunity.
- 2. Non-Solicitation and Other Restrictions.** For a period of two (2) years from on which Colonial provided you with the Confidential Information, you shall not (i) use, directly or indirectly, any Confidential Information in connection with or for the purpose of soliciting any former, present or potential customer, borrower or investor of the Company in connection with any offer or sale of any service or product related to the investment opportunity; or (ii) solicit or attempt to solicit any employee or consultant of Colonial, a Colonial investor or any party or entity related to the investment opportunity with any offer of employment or consultancy, or hire, engage or otherwise employ any such person, if you first became aware of such person or entity through access to Confidential Information.
- 3. Remedies.** It is specifically understood and agreed that any breach of this Agreement is likely to result in irreparable injury to Colonial and that the remedy at law alone will not be sufficiently adequate to remedy such breach, and that in addition to any other legal and/or equitable remedy it may have, Colonial shall be entitled to seek the specific performance of this Agreement, and to seek both temporary and permanent injunctive relief (to the extent permitted by law) without the necessity of a bond or proving actual damages. In event that Colonial is required to take action to enforce the terms of this Agreement, Colonial shall be entitled to reimbursement of all fees and costs incurred in connection therewith, including its reasonable legal fees and costs.



Repayment

- The primary source of repayment will come from the sale of the subject property. Cushman & Wakefield orchestrated an offering memorandum for the sale of the properties. All offers were due at the end of October. As of 11/15/2023, the top four offers start at \$14,500,000, \$14,018,000 and the other two offers in the \$12MM range. As of this posting, the owner will most likely take the offer for \$14,500,000 with strong consideration for the second offer at \$14,018,000. Both offers are for cash.
- The secondary source of repayment will come from the refinance of the property with another private lender.
- A tertiary source of repayment will come from the foreclosure and sale of the property and claims on the guarantor.

Subject Property

First Deed of Trust and ALTA Title Policy on two industrial properties totaling +/- 94,720-SF located at 240 & 236 N 48th Ave, Phoenix, AZ 85043 and further identified as APN #'s 104-02-005N & 104-02-005P, Maricopa County, AZ.

The Properties are in the Southwest Phoenix Industrial Submarket just south of the ever-growing I-10 corridor and on the Southwest corner of North 48th Avenue and West Van Buren Street. This submarket has become a sought-after locations for new speculative development in the last five years due to its proximity to other Mountain West regions. The rising dependence of e-commerce has benefited the area as demand for warehouse and logistics space has significantly increased in the submarket due to nearby railroad access, I-10, I-17, Loop 101, & Loop 202 freeways.

The parcels are zoned A1- Light Industrial, allowing for industrial uses designed to serve the needs of the community for industrial activity not offensive to nearby commercial and residential uses.

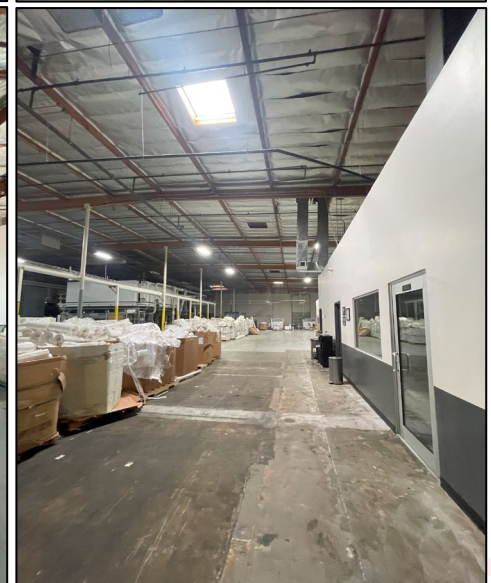
236 North 48th Avenue was built 1979 features a recently renovated, high-end office area of 4,200-SF with the remaining SF consisting of a small warehouse totaling 7,320-SF. The building's features include 14' foot clear heights, one loading dock, 14 parking stalls.

240 North 48th Avenue was built in 1978 and is entirely operated as an industrial warehouse featuring 23' foot ceilings, 24'w x 52'd columns, and direct access to the Union Pacific Railroad spur to the West of the building. The building has a large electric capacity of 7000 Amps. The building is owned by a related entity(Zummit Plastics); however, the property is currently in escrow for \$14,500,000 (\$153.08-SF) via a sale-leaseback transaction. After the sale, Zummit Plastics will sign up to a 12-month bridge lease while the company prepares to move its operation to Atlanta, GA, and Lord & Sons will agree to sign a brand new, 10-year triple net lease with annual 4.00% bumps. Proposed lease terms for the subject property are located to the right:



Lease Terms - Lord & Sons			
Year	\$	\$-SF	Bumps
1	\$314,496	\$12.60	
2	\$327,076	\$13.10	4.00%
3	\$340,159	\$13.63	4.00%
4	\$353,765	\$14.17	4.00%
5	\$367,916	\$14.74	4.00%
6	\$382,632	\$15.33	4.00%
7	\$397,938	\$15.94	4.00%
8	\$413,855	\$16.58	4.00%
9	\$430,409	\$17.24	4.00%
10	\$447,626	\$17.93	4.00%

Subject Property - Site Tour Photos (236 North 48th Avenue, Phoenix, AZ 85043)



Subject Property - Site Tour Photos (240 North 48th Avenue, Phoenix, AZ 85043)



Broker Opinion of Value

Phil Haenel – Cushman & Wakefield – Vice Chair



As a Director at Cushman & Wakefield, Phil Haenel specializes in the leasing and sales of industrial, warehouse, back-office properties and land throughout the greater Phoenix area. Prior to transferring to the Phoenix office, Phil initially joined Cassidy Turley working in the Oakland, California office where he received the “Top 10 Under 5 Years” award. Prior to this Phil attended the University of Arizona.

Phil believes the property’s conservative value would be between \$12,300,000-\$12,500,000 (\$129.86 - \$131.97 per SF) based on its as-is condition and lease in place. Phil is the sales broker in this transaction and is a good friend of Colonial team members

Kirk Jenkins – DAUM Commercial – Executive V.P.



Kirk Jenkins serves as DAUM’s Executive V.P., Founding Partner, & Manager of the company’s Phoenix Operation. Kirk has been an industrial specialist with DAUM since 1980. Kirk is also a very active investor in many Colonial transactions.

Based on Kirk’s underwriting analysis of the two properties, as well as the market conditions and the interest rate environment in today’s markets, he values the two assets collectively at \$11,400,000 (\$120.35-SF) to \$11,840,000 (\$125.00-SF)

Property Valuation

Recent Sales Comparables

Below are three (3) recent sales comparables all located in the Phoenix area. All are similar in class, condition, and use to the subject property and were sold within the past 12 months. **The average price per SF of these sales is \$133.28-sf which would value the subject property at \$12,624,281.**

Sales Comparables - Past 12 Months									
#	Address	City	Sale Date	Price	Bldg SF	Cap Rate	Price/SF	Lot SF	Price/Lot SF
1	215 N 143rd Ave.	Goodyear, AZ	Confidential	\$29,000,000	213,229	5.15%	\$136.00	603,742	\$48.03
2	2300 51st Ave.	Pheonix, AZ	Confidential	\$43,000,000	336,038	4.63%	\$127.96	822,848	\$52.26
5	4534 N 44th Ave.	Pheonix, AZ	3/23/2023	\$14,000,000	103,030	5.65%	\$135.88	503,471	\$27.81
Averages				\$28,666,667	217,432	5.14%	\$133.28	643,354	\$42.70

Valuation Summary:

Based upon these recent sales and broker opinion of values, Colonial reasonably values the property as-is conservatively at \$11,651,000 (\$123.00)

Loan Amount: \$7,000,000 (\$73.90-SF)

LTV: 60.08%

Tenant Overview

Zummit Plastics



236 North 48th
Avenue, Phoenix, AZ
85043

From the Website:

Zummit Plastics is a film manufacturer that produces high-end machine and hand application stretch film products. With over fifteen years of service, Zummit Plastics has naturally built a reputation on the cornerstones of providing superior quality stretch film by efficiently and economically servicing industries worldwide. Engineered to provide ultra-premium stretch film at any level, the film offered by Zummit Plastics is designed with an advanced resin formulation and production technology that provides quality load configurations and better stabilization of pallet loads. Every film offers unbelievable puncture resistance while reducing the cost per unit. Zummit is selling this asset and plans to move all operations to their Georgia location. Zummit Plastics has an operation in Columbus, GA and the team has made the executive decision to relocate the entire operation to the Georgia facility. The decision is based on cheaper operating costs, reduced capital expenses as well as taking advantage on the sale environment in the Phoenix industrial market.

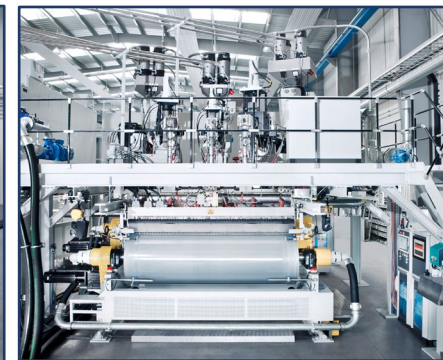
Lord & Sons, Inc.



240 North 48th
Avenue, Phoenix, AZ
85043

From the Website:

Lord & Sons has provided custom fabrication services to the construction industry for over 30 years. Lord & Sons has six locations throughout CA, AZ, and NV. The company blends technology and quality workmanship with personal, one-on-one service. Skilled fabricators will provide you high quality results at a reasonable price. Some of the custom products Lord & Sons can produce are Anchor Bolts & Rods, Tie-Rod Assemblies, U-Bolts, Eye-Bolts, Welded Support Brackets, Pipe Hangers and Straps, and Double Ended Studs. In addition to Lord & Sons custom fabrication of products, the company also offers engineering services. The engineering services offered by Lord & Sons include review and analysis of a design, seismic-bracing design, layout and submittals, load-point reviews, and calculations and PE or SE sealing as



Borrower Overview

Quantico Plastics Group, Inc.

Quantico Plastics Group, Inc. has been the borrower/owner of both subject properties since purchasing them in 2019. Colonial will require that the ownership will be divested and transferred to a bankruptcy remote single asset entity before funding. This is to favor Colonial in the remote case that a bankruptcy occurs. The single asset entity request is generally a Colonial requirement in many cases.

Below is the Balance Sheet and P&L as of September 30, 2023 for Quantico Plastics Group, Inc. Quantico is current with both loans secured by the Phoenix property (\$6.8MM) and the Georgia property (\$2.77MM).

Borrower Financials:

QUANTICO PLASTICS Balance Sheet September 30, 2023	
Description	\$ Value
Total Current Assets	\$432,918
Total Fixed Assets	\$9,984,295
Total Assets	\$10,417,213
Total Current Liabilities	\$19,865
Total Long Term Liabilities	\$9,596,141
Total Liabilities	\$9,616,006
Total Capital/ Equity	\$801,207
Total Liabilities & Equity	\$10,417,213
Net Worth	\$801,207

QUANTICO PLASTICS Profit & Loss January 1 - September 30, 2023	
Description	\$ Value
Total Income	\$829,442.34
Total COGS	\$104,905.26
Gross Profit	\$724,537.08
Total Expenses	\$644,621.92
Net Income	\$79,915.16



Summary

A good loan to value should provide investors a reasonable return based on the perceived risks. The property is in a desired location in Phoenix with strong electrical power for a desired owner. There are a number of offers to purchase these properties. We are at a relatively low loan to value based on our co of 60.09% based on our conservative value and a 48% LTV based on the purchase offer in place.

No one should consider investing unless they are prepared to own the subject property.

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