

Colonial Capital Loan Summary

Sahuaro Barricades, LLC

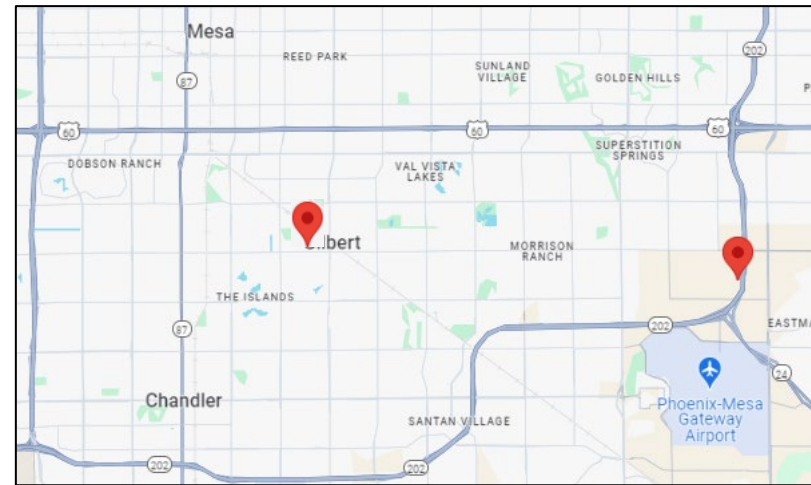
Purpose:

The refinance of two industrial properties located at 11623 South 202nd Street, Mesa AZ 85212-9664 and further identified as Parcel #304-31-014Q, Maricopa County, Arizona & 359-371 W Cullumber Ave, Gilbert, AZ 85233 and further identified as Parcel #'s 302-19-128 and 302-19-129, Maricopa County, Arizona.

The borrower has a receivable coming in ~3 months from the government in the amount of ~3MM. These proceeds would go towards paying down our loan as well as paying off a loan on a mine that he owns. Additionally, the borrower will be looking for a construction loan for the future development of a ~19,500 SF Industrial warehouse on the northern portion of the Mesa site and 22 half acre outdoor construction yards.

This will be Colonial's 2nd loan with the borrower, with the previous having paid as agreed.

Funding Date: Week of March 18th, 2024



Subject Properties Address:

11623 South 202nd Street, Mesa AZ 85212-9664
 359-371 W Cullumber Ave, Gilbert, AZ 85233

Major Deal Points

Loan Amount:	\$2,935,000
Rate:	13.00% 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:	6 Months (\$190,775)
Borrower:	Sahuaro Barricades, LLC Sahuaro Pipeline Corporation, Inc.
Guarantors:	Dallas Peterson & Spouse
Default Rate:	23.50% 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.



Collateral/Subject Properties

11623 South 202nd Place, Mesa 85212

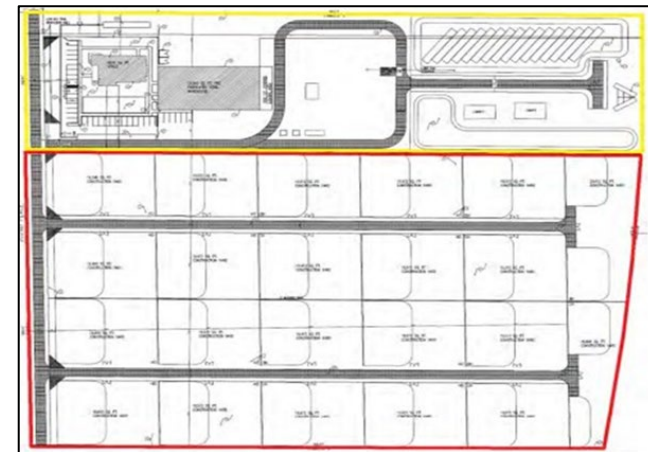
1st Position Deed of Trust and ALTA Title Policy on commercial land parcel totaling 17.71 ac (773,265-SF) located at 11623 South 202nd Street, Mesa AZ 85212-9664 and further identified as APN #'s 304-31-014Q, Maricopa County, AZ.

The subject property is located north of Warner Road and west of the Loop 202 Freeway. Situated on the east border of the property is a billboard that has excellent frontage to the Loop 202 Freeway. Notably, the subject is completely fenced-in with an operating gate at the entrance of the property. At the east end of the subject property is a two-sided billboard. The billboard structure is owned and operated by Beck Boards Small, to which rent is paid for the easement on the land. The lease originated in September 2011 with rent commencing in January 2012. The lease is structured as a one-year lease that renews automatically every year. The current rental payment is \$750 per month or \$9,000 per annum.

The subject property is currently vacant land and zoned IND-2, Light Industrial, which permits most industrial uses. The land is currently used as a storage facility for equipment for Sahuaro Barricades, LLC, a subsidiary of Sahuaro Contracting, with two small open storage sheds which have no contributory value.

The borrower plans to develop the northern portion of the site with a ~19,500 sf industrial building. The total building SF will be approximately ~5,000 sf office and ~14,500 sf industrial building for storage on ~7 acres. The building will be leased by a subsidiary of Sahuaro Contracting and will sign a long-term lease. The remaining land will be developed as 22 half-acre construction yards/industrial yards that will be leased upon site completion.

The site plan has been submitted into the city/county and Dallas is awaiting feedback for final construction drawings. Sahuaro has received bids from multiple contractors for the building; however, he needs update costs on the steel buildings. He is waiting to develop this property until he gets his receivable.



Property Photos – 11623 South 202nd Place, Mesa 85212



Additional Collateral/Subject Properties

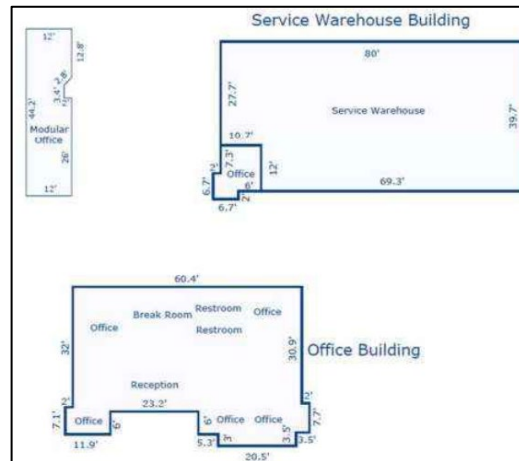
371 W Cullumber Ave, Gilbert, AZ 85233

1st Position Deed of Trust and ALTA Title Policy on two commercial parcels totaling 1.79 ac (77,790-SF) located at 359-371 W Cullumber Ave, Gilbert, AZ 85233 and further identified as Parcel # 302-19-128 and 302-19-129, Maricopa County, Arizona.

Parcel #302-19-128 consists of 41,644-SF a 5,512-SF single-tenant industrial building, occupied by the owner/borrower, that was constructed in 1996. The building area is comprised of 2,313-SF of office space, 3,048-SF of warehouse space with a 151-SF office within the warehouse. Photos of the building interiors are on the following page.

Parcel #302-19-129 consists of 36,146-SF (0.83-ac) of land currently utilized as outdoor storage. The storage yard contains a 10,000-gallon diesel fuel above-ground storage tank used for their equipment and truck fleet. Both properties are zone Light Industrial (LI) and are legal conforming uses for the zoning district. It is solely owner occupied by Saharo Contracting.

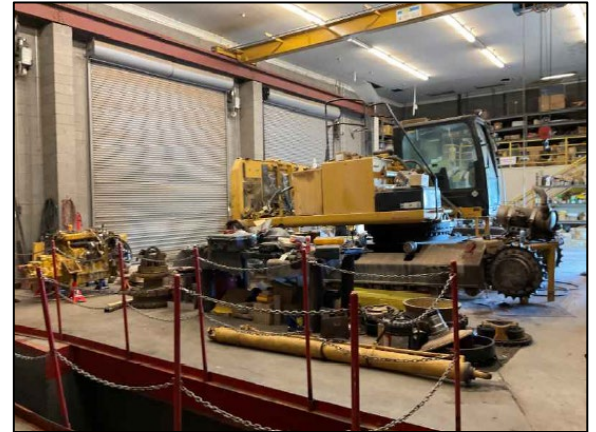
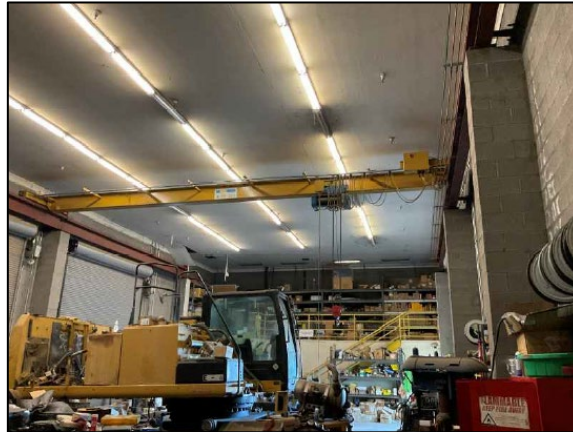
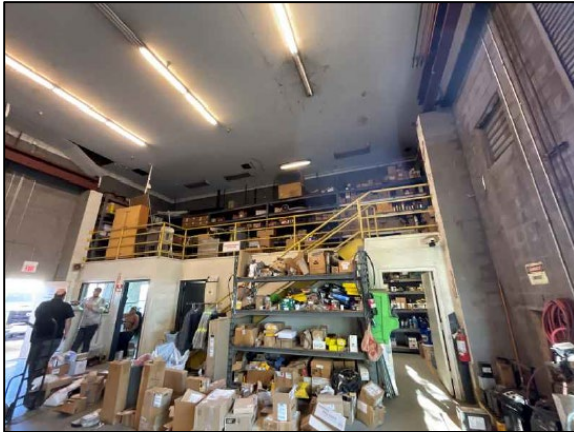
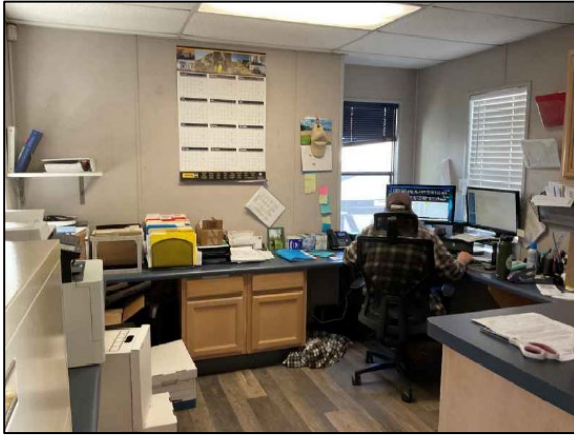
A Phase I was performed on the property on December 18th, 2024 by BBG Assessments, LLC out of Tempe, AZ. BBG identified no evidence of recognized environmental conditions, CRESs, or HRECs, and recommends no further investigation of the subject property.



Repayment

- The primary source of repayment will come from the refinance of the property with a conventional lender or with another private lender. Additional funds will come from the cash flow and future sale of a mine owned by the borrower as well as the receivable from the government.
- The secondary source of repayment will come from the sale of the property.
- A tertiary source of repayment will come from the foreclosure and sale of the property and claims on the guarantor.

Property Photos – 371 W Cullumber Ave, Gilbert, AZ 85233



Property Valuation – Appraised Value

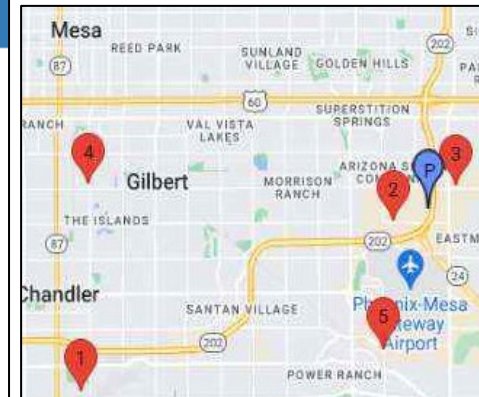
11623 South 202nd Street, Mesa, Arizona 85212-9664

An appraisal for Scottsdale Community Bank was made on December 19th, 2023, by BBG, Inc., from Dallas, TX. It is their opinion that the “as is” value is \$7,890,000 (\$10.20-SF) . Additionally, they value the billboard within the subject property to be \$80,000(\$9,000 NOI) .

Loan to Appraised Value “As Is before improvements”: \$7,970,000 (\$10.33-SF) – 36.83% LTV.

SUMMARY OF LAND SALES

Comp No.	Property / Location	Date of Sale / Status	Site Size (Net Acres)	Site Size (Net SF)	Zoning	Flood Zone	Utilities	Sale Price	Price per SF (Net)
1	Industrial Land 19820 South McQueen Road Chandler, AZ	Aug-23 Closed	12.02	523,591	I-2, Industrial	Zone X (Shaded)	All available to site.	\$5,600,000	\$10.70
2	Industrial Land 19414 East Warner Road Mesa, AZ	Jul-22 Closed	9.54	415,606	I-2, Light Industrial	Zone X500	All available to site.	\$3,850,532	\$9.26
3	Industrial Land 3524 South 94th Place Mesa, AZ	May-22 Closed	13.97	608,533	LI, Light Industrial	Zone X (Unshaded)	All available to site.	\$4,250,000	\$6.98
4	Commercial Land 130 North McQueen Road Gilbert, AZ	May-22 Closed	11.00	479,227	CC, Community Commercial	Zone X (Unshaded)	All available to site.	\$6,850,000	\$14.29
5	Industrial Land 7250 South Sossaman Road Mesa, AZ	Mar-22 Closed	20.58	896,328	LI, Light Industrial District	Zone X (Shaded)	All available to site.	\$9,692,000	\$10.81



SALES SUMMARY

	UNADJUSTED	ADJUSTED
Minimum	\$6.98	\$8.73
Maximum	\$14.29	\$11.44
Average	\$10.41	\$10.16
Median	\$10.70	\$10.19
Standard Deviation	\$2.38	\$0.86

LAND VALUE CONCLUSION

Indicated Value per SF	\$10.20
Land Area (SF)	x 773,190
Indicated Value	\$7,886,538
Rounded to nearest \$10,000	\$7,890,000
Per SF (Net)	\$10.20

371 West Cullumber Avenue, Gilbert, Arizona 85233-4930

An appraisal for Scottsdale Community Bank was made on December 19th, 2023, by BBG, Inc., from Dallas, TX. It is their opinion that the “as is” value is \$1,130,000 with the excess land valued at \$510,000 **totaling \$1,640,000.**

Cost Approach: \$1,130,000 (\$205.10-SF of Net Rentable Area)

Sales Comparables Approach: \$1,130,000 (\$205.10-SF of Net Rentable Area)

Land Value: \$510,000 (\$14.11-SF of Land)

Broker Opinion of Value

Kirk Jenkins – DAUM Commercial – Executive Vice President



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.

Cullumber property is in an overall good commercial park with a broad range of users within the surrounding area. The 202nd St is a little more difficult to value as there is currently no water, sewer, or gas to the property and most comps around the area are frontage pieces. While there is freeway access at Elliot Rd the subject doesn't have direct frontage. 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 as:

11623 South 202nd Street, Mesa AZ 85212-9664 - \$5.00-SF | \$3,865,950

359 & 371 W Cullumber Ave, Gilbert, AZ 85233 | \$1,400,000-\$1,450,000

Properties Collective Value using the lower end of valuations: \$5,265,950 (LTV 55.73%)

Alex Boles – ViaWest Group – Senior V.P. of Investment & Development



As Senior VP of Investments and Development Alex leads the Development Team in all efforts in the Phoenix market. Alex oversees all points in the development process from initial concept and site selection through construction and, ultimately disposition. During his time at ViaWest he has developed over 4 MM square feet of industrial product, one retail build-to-suit, and played a key role in +/- 1.5M SF of value-add office and industrial projects. In addition, he has a background in multifamily and single-family residential projects with 12+ years of real estate investment, development, and construction management experience.

This submarket is tanking right now, with +/- 5 years of product (oversupply of 50-300K-SF range) coming online right now within the East Valley submarket both leasing rates and values have been declining. This land would have been \$12.00-16.00-SF a couple years ago however I would give \$5-\$6-SF for it as-is. Its pros are its interstate frontage, potential additional income from renegotiating billboard lease, and that the plan of outdoor storage yards development is cheaper compared to small buildings.

11623 South 202nd Street, Mesa AZ 85212-9664 - \$5.00-SF | \$3,865,950

Property Valuation Summary:

Appraised Value

11623 South 202nd Street, Mesa, AZ 85212-9664

“As-Is” Value: \$7,970,000 (\$10.31-SF)

359 & 371 West Cullumber Avenue, Gilbert, AZ 85233-4930

“As-Is”: \$1,640,000. (\$1,130,000 with the excess land valued at \$510,000)

Combined Appraised Value: \$9,610,000 (30.54% LTV)

Broker Opinion of Values:

Kirk Jenkins – DAUM Commercial – Executive Vice President

11623 South 202nd Street, Mesa AZ 85212-9664 - \$5.00-SF | \$3,865,950

359 & 371 W Cullumber Ave, Gilbert, AZ 85233 | \$1,400,000

Combined Values: \$5,265,950 (LTV 55.73%)

Alex Boles – ViaWest Group – Senior V.P. of Investment & Development

11623 South 202nd Street, Mesa AZ 85212-9664 - \$5.00-SF | \$3,865,950

Colonial Value

Based upon the appraised values, recent sales comparables within the subject properties respective areas, and broker opinion of values, Colonial reasonably values the properties as-is conservatively at:

11623 South 202nd Street, Mesa, AZ: \$3,865,950 (\$5.00-SF)

359 & 371 West Cullumber Avenue, Gilbert, AZ: \$1,300,000

Combined Values: \$5,165,950 (LTV 56.81%)

Borrower Overview

Sahuaro Contracting



371 West Cullumber Ave,
Gilbert, AZ 85233

Sahuaro Contracting Company is a construction company based out of 371 W Cullumber Ave, Gilbert, AZ 85233. They cover almost all aspects of general utility engineering construction; Underground fire lines, sewer lines, water lines, storm drains, pump stations, excavations, etc.. Sahuaro Contracting is principally involved in the installation of underground utilities for the commercial and residential markets in the Metro Phoenix Area.

Dallas Peterson is the president and owner of the company and founded the businesses in 1988.

Sahuaro Pipeline Corporation, Inc's 2022 Federal tax returns shows total income of \$4,966,502 from gross income of \$38,836,297 and total cost of goods sold of \$33,869,427.

Guarantor Background & Financials

Dallas Peterson

Born and raised in Mesa Arizona, Dallas has worked in pipeline/underground industry since 1978 and started Sahuaro Contracting in 1988.

The personal financial statement for Dallas S Peterson dated 12/31/2023 shows a net worth of \$25,858,000 on total assets of \$3,050,000, total equity of \$24,858,000, and total liabilities of \$2,050,000. A full breakdown is below.

Assets: Cash of \$150,000, Personal Property \$70,000, Real Estate \$1,100,000, Stocks \$80,000, Petersen Farms \$1,500,000, and Retirement funds of \$150,000.

Equities: Sahuaro Contracting \$13,148,000, Sahuaro Barricades \$2,110,000, High Pines Estates \$2,000,000, 30 Acres \$7,500,000, and Whiting Homestead \$100,000.

Liabilities: Contingent Liabilities \$2,050,000

Dallas and Julie Peterson's 2022 tax returns reflect an adjusted gross income of \$282,463 generated from wages & salaries.





Summary

A good loan to value should provide investors a reasonable return based on the perceived risks.

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

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