

Colonial Capital Loan Summary – Stonebrook Gated Community, LLC

Purpose:

A second position refinance of a +/- 220,250-SF 296-unit garden style apartment complex located at 4020 S. 130th E Ave, Tulsa, OK 74134 and further identified as parcel # 76525-94-21-62510, Tulsa County, OK. The Borrower, Robby Fender, purchased the subject property for \$11,500,000 (\$52/SF) on 11/1/2020. The primary form of repayment will come from the sale of the property once renovations have been completed and the majority of units are leased. Our loan will be in a Second position Deed of Trust on the subject property subject to the current 1st with Bank of America in total of \$4,325,152.

Robby Fender, is a first-time borrower with Colonial Capital, LLC. He was referred to Colonial by Craig Coppola, a long time Colonial investor.

Repayment:

- The primary source of repayment will come from the sale of the property.
- The secondary source of repayment will come from a refinance with a conventional lender.
- A tertiary source of repayment will come from the foreclosure and sale of the property and claims on the guarantor.

Funding Date:

~Tuesday, February 20th, 2024

Property Address:

4020 S. 130th E Ave, Tulsa, OK 74134

Major Deal Points

| | |
|--------------------------|--|
| Loan Amount: | \$4,000,000 |
| Rate: | 12.00% per annum |
| Maturity: | 12 Months |
| Term: | Monthly Interest only payments, with an outstanding balance due 12 months from the date of the note. |
| Minimum Interest: | 12 Months (\$480,000) |
| Borrower: | Stonebrook Gated Community, LLC |
| Guarantors: | Robby Fender & Spouse |
| 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.



Subject Property/Collateral

A second position mortgage subject to the 1st position mortgage with Bank of America in the amount of \$4,300,000 for the continued renovation of a +/- 220,250-SF 296-unit multifamily property located at 4020 S. 130th E Ave, Tulsa, OK 74134 and further identified as parcel # 76525-94-21-62510, Tulsa County, OK.. The subject property was purchased by the Borrower in November 2020 for \$11,500,000. As a result of insurance credit and other prorations, the total proceeds needed to close escrow was \$11,357,194. The Borrower used \$9M of funds that were previously sitting in one of the Borrower's company's (known as “YI Holdings” loan and is an interest only loan at 5.00%) and the remaining \$2,357,194 in cash to close escrow. It should be noted that the current 2nd mortgage of \$9mm will be subordinated to our debt since it is owned by the borrower.

The Stonebrook Gated Community , also known as the Stonecrest Apartments, is a 296-unit garden-style apartment complex containing 220,200-SF of rentable area within 17 two-story buildings. . Located in the eastern sector of Tulsa, the subject property is located within proximity to regional arteries and employment centers, with multiple medical and corporate offices within the area. The property has undergone extensive renovation since its purchase with improvements being made to all units and the overall general common areas.

Unit Amenities/Renovations; new electrical, plumbing, HVAC systems, hot water heaters, bathrooms, washer/dryers in unit, stainless steel appliances, granite counters, custom cabinets, waterproof faux wood vinyl flooring, recessed LED lighting with dimmer switches, brushed nickel fixtures, walk-in closets.

Common Area Amenities/Renovations; Updated property fencing, new wood staircases and balconies, swimming pool, fitness center, clubhouse, outdoor kitchen and grilling area, picnic area, gated entry with fob access, dog park with dog wash station, two playgrounds, and Cox high speed fiber access. Onsite parking for 314 surface spaces, resulting in a parking ratio of 1.06-unit.

In October 2020, the Borrower put \$2.15M in initial remodel cash into the account while seeking a \$4.5M loan with Bank of America. The BOA (fully amortizing variable rate loan) loan moved into first lien position, and the \$9M YI Holdings loan subordinated into second lien position. Since then, a combination of factors including COVID, supply chain issues, inflation, and Chinese tariffs caused both the value of the property as well as the material and labor costs to skyrocket. This resulted in the additional infusion of \$6,368,621.69 in owner cash. \$24,200,967.58 in total funds have been contributed to Stonebrook, of which approximately \$4.3M is owed to BOA (in first lien position), \$9M in cash from the Borrower’s company (which is owed in second lien position but will be subordinated to third lien position at the close of this loan), and almost \$11M in cash.

Currently they have 12 units with signed leases, 69 units ready for lease, and 10 additional units that have been inspected by their property manager and are in the process of completing minor punch lists. There are an additional 8 - 10 units that are ready for their property manager to inspect and will be completed asap. Once fully operational, the property is expected to have an NOI of ~\$489,062. There are four floor plan options ranging from 525-950 square footage. Unit mix and projected rents are below.



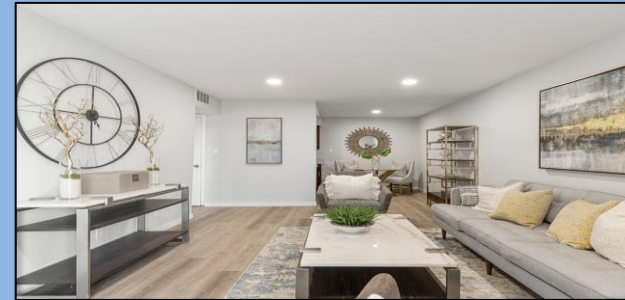
| Tenant Mix | Square Feet | Quantity | Rent | Rent psf | Rent per Month | Rent Per Year |
|------------|-------------|----------|---------|----------|----------------|---------------|
| 1 BR Jr | 525 SF | 72 | \$925 | \$1.76 | \$66,600 | \$799,200 |
| 1 BR Reg | 750 SF | 96 | \$1,050 | \$1.40 | \$100,800 | \$1,209,600 |
| 1 BR Ig | 775 SF | 64 | \$1,085 | \$1.40 | \$69,440 | \$833,280 |
| 2 BR/2 BA | 950 SF | 64 | \$1,295 | \$1.36 | \$82,880 | \$994,560 |

Site Photos (Renovated Units)

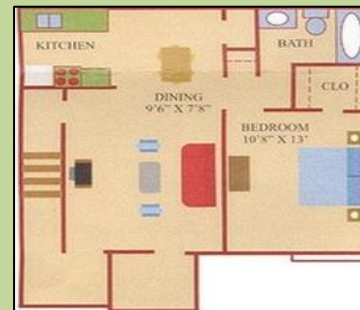
**1 Bedroom Junior
525-SF**



**1 Bedroom Regular
750-SF**



**1 Bedroom Large
775-SF**



**2 Bedroom
2 Bathroom
950-SF**



Construction Overview:

The property was inspected by a 3rd party construction management group, Arizona Construction Management (AZCM) hired by Colonial Capital on 2/8/2024 to verify work completed and construction progress of the project.

Project Overview:

Construction consists of 220,000-SF for 296 rentable units on 8.52-ac of land as a part of 18 buildings (17 apartment buildings & 1 clubhouse/office). The project is currently 75% complete based on construction observation with 104 units fully completed. The remaining units vary in percentages complete and is broken out below. To date, the ownership has invested \$24mm all in; with \$4mm to finish.

Construction Timeline:

Based on contractor interview and observation, the following has been established.

Buildings 100% completed (with no C of O) for rental: 5,8,10,12, 14, and 16

Buildings at 85% (to be complete by March, 2024): 2 and 9

Buildings at 90% (to be completed by late April, 2024): 4

Remaining nine buildings ranging from 40% - 70% (completion is expected 100% by November, 2024)

Completion at 100% requirements for units are:

Fire rated drywall, Code Electrical, Code HVAC, Code Plumbing, Structured components, Interior finished.

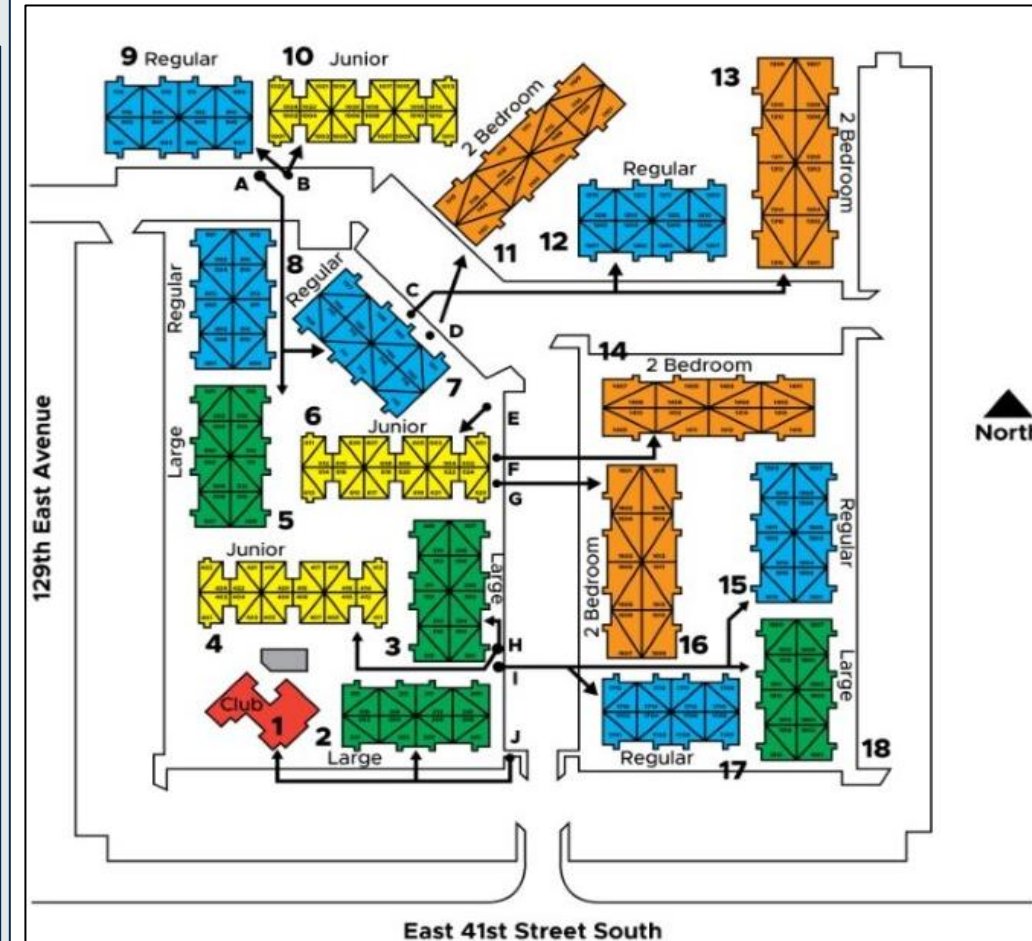
Onsite Conditions:

At the date of inspection, concrete electrical pads were being poured to prepare for utility power installation. Power will not need to be extended but will tie in to existing utilities at each building. The demands require upgraded panels and distribution for each location to reach building code. Sewer and water are currently tied in and approved. Additional work in progress was trenching for COX fiber installation to each building. It is anticipated that once all site utilities are complete, new paving and striping to comply with ADA requirements will commence. That by reasonable scheduling should be the last level of construction for the project.

Completion at 100% of site includes:

Utility Construction, Landscaping, Paving and Striping

Additional site photos of this inspection are on the following page:



| Source | Amount |
|--------------------------------|---------------------|
| 1st Position - Bank of America | \$4,325,152 |
| 2nd Position - Colonial Loan | \$4,000,000 |
| Subtotal: | \$8,325,152 |
| YI Holdings Loan | \$9,000,000 |
| Owner's Contribution | \$5,485,000 |
| Initial Downpayment | \$2,357,194 |
| LOGC Loans | \$3,033,622 |
| Total | \$28,200,968 |

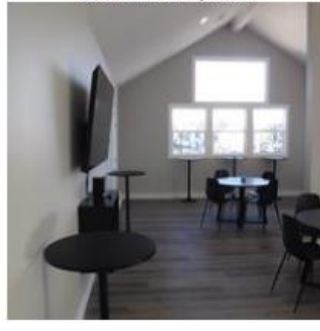
Pool Renovation



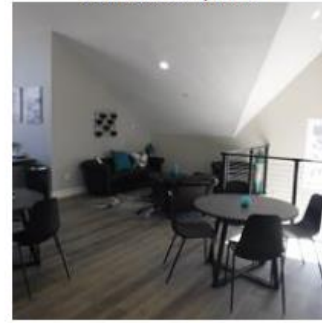
Restrooms Clubhouse



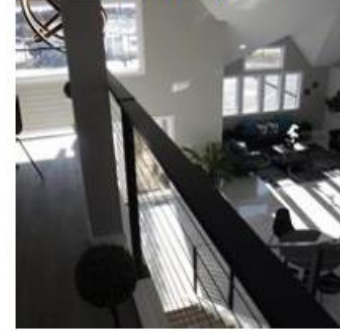
Clubhouse Completion



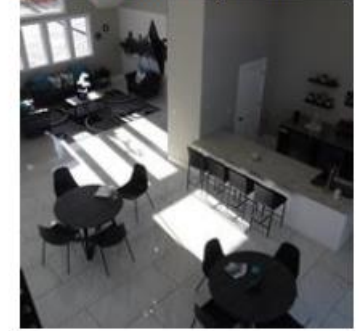
Clubhouse Completion



Clubhouse Completion



Clubhouse Completion



Completed Units Sample



Completed Units Sample



Progress Units Fire Seal



Progress Units



Completed Units Sample



Completed Units Sample



Site- Electrical Pads



Site- Electrical Pads



Progress Units



Progress Units



Completed Units Sample



Completed Units Sample



Site - Utilities



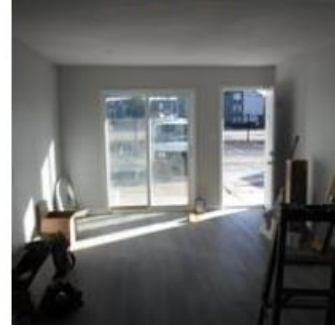
Site - Utilities



Progress Units



Progress Units



Progress Units



Progress Units



Site Photos (Club House Renovated)



Property Valuation

Appraisal Valuation

An appraisal for Bank of America was made from the existing apartment complex on February 12, 2021, by Cushman & Wakefield, from Dallas, TX. It is their opinion that the “as is” value is \$18,200,000 (\$82.63/SF) with a prospective market value upon stabilization of \$29,200,000 (\$132.58/SF). Additionally, they value the replacement cost of the subject property to be \$15,114,738 (\$68.63/SF).

Loan to Appraised Value “As Is before improvements”: \$18,200,000 – 21.98% LTV

| Value Conclusions | | |
|---|---------------|------------------|
| Appraisal Premise | Date of Value | Value Conclusion |
| Market Value As-Is | 2/12/2021 | \$18,200,000 |
| Prospective Market Value Upon Stabilization | 10/1/2022 | \$29,200,000 |
| Replacement Cost Value | 2/12/2021 | \$15,114,738 |

Broker Opinion of Value

Raymond Lord – SVN Oak Realty Advisors – Senior Managing Director



Raymond is a Principal and Managing Director at SVN OAK Realty Advisors. He has 30 years of experience in commercial real estate and is recognized as an industry leader in multifamily transactions. Since 1987 Raymond has had the opportunity to personally work with some of the largest REITS, trusts, and private equity groups in the country and been involved in the sale of multi-family properties in excess of \$3.25 billion dollars.

It is his opinion, regarding Stonebrook, that this property would trade from a low of \$128,000 to \$154,000/unit based on current rental rates, current cap rates as well as overall market fundamentals. Case in point a comparable, the Remington (102 unit), which is of similar rents and upgrades as Stonebrook going into contract at \$14,750,000. Of course, this number is based on completion of the work which is underway and in the final phase. The strong demand in this area and overall area occupancy in the mid 90% level as well as increasing demand on rental units which he can see continuing over the next several years in this area attribute to this valuation. Also, he anticipates a drop in interest rates in the late 3rd quarter / 4th quarter of this year which will also have a positive impact on valuations. He would say between \$35MM to \$38MM depending on market and interest rates. Raymond has no connection monetarily to this transaction.

It should be noted that the current in-place rents are significantly higher per key per month (\$200-\$250 per month) due to the substantial improvements made over and above the projected improvements given to the appraiser in 2021; hence the BOV is significantly higher than the 2021 appraisal. This would generate an additional \$750,000 in rents.

Property Valuation

Recent Sales Comparables

Below are eleven (11) recent multi-family sale comparables all located in the Tulsa area. All are similar in class, condition, and use to the subject property and were sold within the past 2 years. The average \$-SF, of these sales is \$125.07-SF which would value the subject at \$27,546,887 (14.56% LTV). The \$-unit, of these sales is \$130,475-Unit which would value the subject at \$36,341,959 (14.56% LTV).

| Colonial Comps | | | | | | | | | | |
|--|------------------|-------------------|-------------------|------------|---------------|------------------|---------------------|------------------|-----------------|-----------------|
| Address | Yr Built | Land SF | GBA SF | Units | AVG Unit | Sale Date | Sale Price | \$-Unit | \$-SF | \$-Land SF |
| 5181 S Harvard Ave, Tulsa, OK 74135 | 1984 | 516,574 | 246,600 | 344 | 692 | Dec '23 | \$32,300,000 | \$93,895 | \$130.98 | \$62.53 |
| 324 S Main St, Tulsa, OK 74103 | 1913/2017 | 18,295 | 84,744 | 58 | 637 | Aug '23 | \$9,200,000 | \$158,621 | \$108.56 | \$502.87 |
| 111-118 Bison Ct Way Mustang, OK 73064 | 2016 | 150,623 | 37,500 | 30 | 1,250 | Aug '23 | \$5,000,000 | \$166,667 | \$133.33 | \$33.20 |
| 5091 S 136th East Ave, Tulsa, OK 74134 | 2011 | 1,257,142 | 690,529 | 168 | 981 | Jul '23 | \$32,300,000 | \$192,262 | \$46.78 | \$25.69 |
| 2400 NW 30th St, Oklahoma City, OK 73112 | 1985 | 338,884 | 187,693 | 262 | 713 | Jul '23 | \$27,100,000 | \$103,435 | \$144.38 | \$79.97 |
| 12401 N Macarthur Blvd Oklahoma City, OK 73142 | 1983/2018 | 677,458 | 365,480 | 543 | 672 | Jun '24 | \$62,900,000 | \$115,838 | \$172.10 | \$92.85 |
| 500 SW 93rd St Oklahoma City, OK 73139 | 1974 | 11,726 | 55,484 | 44 | 1,261 | Jun '23 | \$5,100,000 | \$115,909 | \$91.92 | \$434.93 |
| 2400 Watermark Blvd, Oklahoma City, OK 73134 | 2022 | 1,813,054 | 300,000 | 299 | 964 | May '23 | \$55,100,000 | \$184,281 | \$183.67 | \$30.39 |
| 1102 Holiday Dr, Ardmore, OK 73401 | 1976 | 379,408 | 92,137 | 101 | 1,070 | May '23 | \$9,200,000 | \$91,089 | \$99.85 | \$24.25 |
| 3400 SW 44th St, Oklahoma City, OK 73119 | 1966/2022 | 268,587 | 105,496 | 126 | 820 | May '23 | \$13,100,000 | \$103,968 | \$124.18 | \$30.39 |
| 8114 W Britton Rd, Oklahoma City, OK 73132 | 1983/2019 | 346,738 | 168,536 | 216 | 817 | May '23 | \$23,600,000 | \$109,259 | \$140.03 | \$24.25 |
| Averages | | 525,317 | 212,200 | 199 | 898 | | \$24,990,909 | \$130,475 | \$125.07 | \$121.94 |
| SP - 4020 S. 130th E Ave, Tulsa, OK 74134 | 1983/2022 | 371,072 SF | 220,250 SF | 296 | 744 SF | 11/1/2020 | \$11,500,000 | \$38,851 | \$52.21 | \$30.99 |

Colonial Valuation

Based on appraised values, recent sales comparables, and the broker opinion of value on the subject property Colonial is valuing the post completed properties value at \$29,000,000 (28.71% LTV).

Colonials exposure is including the 1st position Mortgage with Bank of America of \$4,325,152

| Combined Loan Exposure | | \$8,325,152 | \$37.80 | \$28,126 |
|--|---------------|---------------------|-----------------|-----------------|
| Value Premise | LTV | Value | \$-SF | \$-Unit |
| Appraisal Market Value as-is 2021: | 45.74% | \$18,200,000 | \$82.63 | \$61,486 |
| Appriasal Market Value upon Stabilization: | 28.51% | \$29,200,000 | \$132.58 | \$98,649 |
| Avg \$-SF x Sales Comparables: | 30.22% | \$27,456,887 | \$124.66 | \$92,760 |
| Avg \$-Unit x Sales Comparables: | 21.56% | \$38,620,581 | \$175.35 | \$130,475 |
| Broker Opinion of Value: | 23.79% | \$35,000,000 | \$158.91 | \$118,243 |
| | 21.91% | \$38,000,000 | \$172.53 | \$128,378 |
| Colonial Value: | 28.71% | \$29,000,000 | \$131.67 | \$97,973 |

Guarantor Background

Robby Fender – Founder & CEO - Yoli, LLC



For the past two decades, Robby has owned and operated several real estate and private investment companies and has been a part of the health and wellness industry for over 25+ years. Robby's most recent venture in the health and wellness industry is the creation of Yoli, LLC, a supplement company, hailing from Salt Lake City, Utah that boasts for its product's quality ingredients. He founded the company because, he discovered that the supplements people were taking used processes that destroyed many of the nutrients in their ingredients, so, he created Yoli because he cares about integrity of their products and truly transforming the lives of people for the better. Robby has spoken to mass audiences and mentored people all over the world, helping them reverse the trends of poor health and poor habits. He's helped people learn new ways to create cash flow and enjoy time freedom. Robby practices what he preaches. He enjoys optimal health and vitality and loves to help people.

Financials

The personal financial statement for Robby Fender dated December 31st, 2023, shows a net worth of \$64,505,530 on total assets of \$88,307,286 with cash and cash equivalents of \$1,534,186, investments/closely held stocks of \$14,364,377, personal property of \$6,524,000, investment real estate of \$54,413,570, and notes receivable totaling \$10,805,784 (which includes \$10,500,000 in the TI Holdings loan receivable on the subject property subject) to total liabilities of \$23,801,756. Many of the liabilities are owned by companies that are majority owned by Robby Fender.

Robby Fender's 2022 tax returns reflect an Adjusted Gross Income of (\$110,279) generated from Wages & Salaries of \$77,272, Business income of \$4,426,781, and Rental Real Estate/Royalties/Partnerships/S corps/Trusts of (\$5,094,309). These losses of \$5.094mm are net operating losses carry forward from prior years.

Robby Fender's Mid Range Credit Score as of 2/5/2024 is 755



Summary

An experienced operator 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.

| | | | | |
|---|---|---|--|--|
| Rob Leonard Sr. Executive Director (Founder) Rob@colonial-capital.com C: 602.430.0436 | Chris Carlson Executive Vice President Chris@colonial-capital.com C: 623.326.9253 | Rob Leonard Jr. Vice President RobJR@colonial-capital.com C: 602.622.4195 | Wyatt McPherson Business Development Underwriting Wyatt@colonial-capital.com C: 480.993.5988 | Thomas White Business Development Executive Tom@colonial-capital.com C: 214-601-6890 |
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