

INVESTMENT STRATEGY

Residential Private Fix and Flip Lending

Providing short term residential fix and flip, construction, and permanent financing to the real estate investment community.

WHO IS INSULA?

- 30 Years of Real Estate Investing, Lending, and Capital Markets Experience.
- Principal has over 350 projects bought, renovated and sold over fifteen years, which has allowed him to build a company with a rich understanding of the marketplace and how to originate and service mortgages very profitably.
- A direct private money lender and real estate investment company.
- Ideal investment vehicle for those looking to participate in today's exponentially growing real estate market.
- Seasoned management team working to consistently deliver above average yields to investors.

MISSION

Insula Capital Group, LLC is a private money lender and real estate investment company providing short term fix and flip loans as well as permanent financing options for real estate investors. Insula Capital Group aims to institutionalize the private money lending space by providing capital, technology, and guidance to clients on its platform that enable them to improve and expand every aspect of their business.



Our approach to real estate investing strikes a healthy balance between conservative underwriting and marketplace opportunity.

We are committed to deploying capital in a conservative manner.

While we understand that preservation of investor capital is paramount, our goal is to provide investors with a higher than average preferred equity return.

At Insula Capital Group, we understand that our success is inextricably tied to that of our clients—now and over time. Therefore, we are committed to providing each and every client the very best product and service possible.



GOALS, OBJECTIVE AND STRATEGY

Conservative Underwriting - Each asset is valued under the assumption that if the Fund is forced to take possession of a property, the selling price will allow the Fund to not only recover its capital, but allow for the potential of a substantially increased return. All underwriting is done in-house resulting in lightning fast funding ease of application, inspection, and closing process. Most loans fund in a week or less, some in as little as 24 hours with most approvals issued the same day as submitted.

Low Loan to Value - The maximum LTV for any transaction is 70%. The Fund anticipates an average LTV less than 75% for the portfolio. ARV no higher than 65%

Strong Borrower Equity - The Principals believe that a strong borrower equity position is the hallmark of the Fund, and paramount to our lending platform, and the ultimate success of any lending transaction.

Investment Diversification - The Fund allocates each investor's capital across all loans in the portfolio, as opposed to a single loan which offers no diversification with a higher level of risk.

WHERE WE ARE TODAY

The Company increased its origination of residential fix and flip loans each year since inception and has built a history of over 500 mortgage originations that have proven its underwriting model.

Established in 2015 – Less than 1 Million in funded loans

2016 – 58 Loans Funded – 10 Million in funded loans

2017 – 226 Loans Funded – 50 Million in funded loans

2018 – 361 Loans Funded – 95 Million in funded loans

2019 - 487 Loans Funded - 131 Million in funded loans

The company has had zero foreclosures and continues to expand its loan origination's significantly each year.



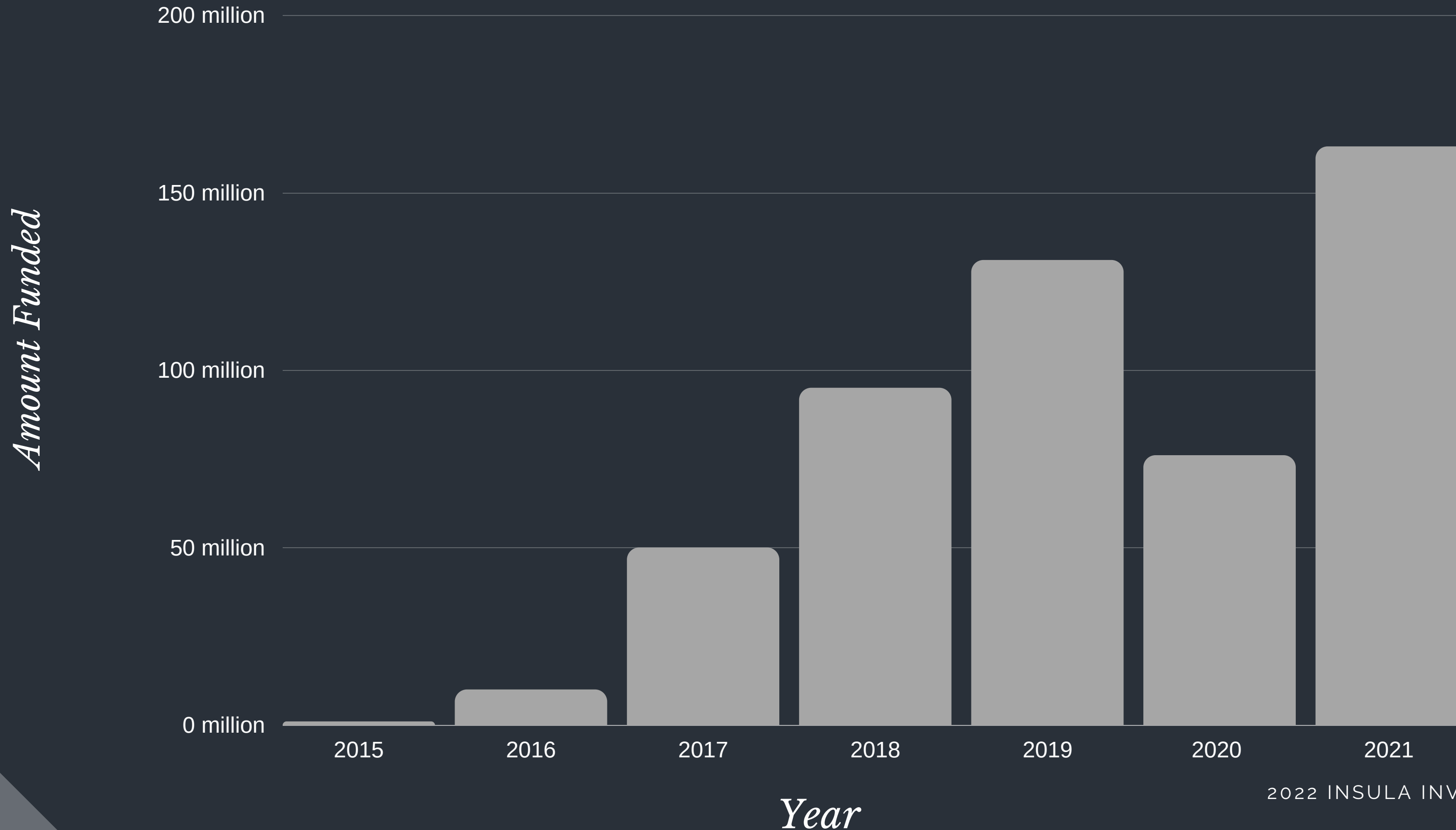
WHERE ARE WE GOING?

Insula Capital Group LLC has expanded underwriting to \$163 million in loans for 2021, with a projected increase to \$250 million in 2022 and over \$300 million in 2023.

The Company has built a strong, stable origination platform and has underwriting, appraisal and risk management systems, and personnel in place to scale to a regional lender that holds and builds its own portfolio. There are two applications which will allow the company to capture a real time foothold in the fix and flip mortgage marketplace.

The Company will put field appraisal tools and applications and financing tools for fix and flip business owners to enhance program loyalty and enhance operating profits. Based upon our survey of the five leading institutional lenders, it appears that as the company deploys lending partnerships with enhanced lending margins that it can build a lending and origination business that can scale to a national platform. This will further enhance equity investors confidence in this growing platform

Loan Fundings





GENERAL LOAN TERMS & GUIDELINES:

Rates: Determined by such factors as experience of the borrower, location, nature of the borrower's business, and financial strength of the borrower. Loans are typically fixed rate interest-only loans. Attractive interest rates – targeting 9%- 13%

Loan Size: \$100,000 – \$ 5 Million

Lien Position – First Position mortgage on primary collateral

Loan term: Range from 12 to 36 months for flips. Permanent Financing Loans up to 30-Years.

Program: Up to 90% of purchase price, 100%of rehab. Not to exceed 65%of the ARV.

Valuations: Conservative based upon "fire sale" time frames

Pre-Pay Penalty: Our loans typically have no prepayment penalty. This means you can pay back your loan at any time during the loan term (even the next day after funding) without having to pay any extra fees for finishing your project ahead of schedule.

Guarantee: Most loans are guaranteed by the borrower as full recourse.

Loan Reserve: A determination of loan payment reserve will be based upon the loan structure and financial strength of the Borrower.

Loan Origination: Our loan origination fees are industry competitive, and range from 1% to 4% of the total loan amount or as determined on a case by case basis.

Assignment of rents clause included in all closing documents

Fully insured with the Fund as the Loss Payee

Qualified buyer with appropriate credit history

LOAN INFORMATION

The general facts that each originated mortgage loan shares include:

All loans to experienced fix and flip developers;

Maximum ninety percent (90%) advance on acquisition price;

Maximum loan with construction sixty five percent (65%) of expected selling price or market value at completion of repairs/renovations;

FICO scores of borrower are at least six hundred and eighty (680) or greater;

All third-party inspection and other expenses are paid by developers

All construction advances to enhance property values are delivered following completion of each stage of renovation. This requires the renovation be completed in accordance with representations, prior to increasing funding, and delivering that increase to borrowed amount. The mortgage and enhancements are closely monitored and the final loan reflects a historical business intelligence and market savvy.

LOAN QUALIFICATION PROCESS:

Deal Qualification

Proprietary Deal Flow
 Non Propriety Deal Flow
 Deal Qualification

Primary Collateral Review

Internal valuation: cash flow & market comps analysis
 Independent MAI appraisal
 Site and area visit
 Comprehensive title search

Borrower Qualification

Complete credit check
 Personal income review
 Identity personal assets & secondary collateral
 Comprehensive background checks
 Inquire about outstanding guarantees

Loan Servicing

Collection of monthly payments
 Daily management of all borrowers requests
 Proactive issue identification and management

Loan Origination

Attorney prepared loan documents
 First trust deeds on primary
 Assignment of rent & pre-pay penalties
 Personal guarantees and secondary collateral

INVESTOR SUMMARY, ACCOUNTING, DISTRIBUTION

Projected 8 – 12% annual preferred return on investment

Monthly dividends based upon Fund profits

Simple process for investors to invest from self-directed IRA accounts

Investors have online access to account information

The Fund will make monthly distributions from Fund income and profits, which coincide with each investor's 8% preferred return on invested capital, secured by first position deeds of trust.

While each investor's capital is used to fund a specific loan, once deployed, the funds are distributed across all loans in the portfolio on a pro-rata basis with the other investors allowing for increased diversification.

An investor's preferred interest is paid out on a monthly basis and can be reinvested or taken as monthly income.

CAPITAL DEPLOYMENT AND INVESTMENT STRATEGY

Insula Capital Group primarily makes first mortgage bridge loans.

Will consider second mortgages and mezzanine loans on a highly selective basis.

Non-Owner Occupied Residential Purchases

Multi-Family / Apartment Buildings

Investor Rehab (Fix and Flip) Projects

Small Balance Commercial



WHERE WE INVEST

Our current concentration of where we invest is:

New York Metropolitan Area

Connecticut

New Jersey

Pennsylvania

Maryland

Florida

Given the right circumstance, Insula Capital Group will consider opportunities nationwide, with the exception of rural properties.

TYPICAL FINANCING NEEDS OF BORROWERS

- Discounted Payoff Opportunities
- Heightened Funding Deadlines
- 1031 Exchange Fallout Situations
- Estate & Divorce Settlements
- Auction Transactions
- Opportunistic Property & Note Purchases
- Maturing Loans

RISKS:

There are a number of risks that can impact the Fund.

Two primary risks include:

Loss of Income

Arises when a borrower fails to pay interest due on the note.

Loss of Principal

Could arise from a catastrophic move in property values

SECURITY

- First position Deed of Trust
- Promissory Note
- Title Insured
- Cross Collateral when appropriate
- Hazard Insurance
- Notes are short term in nature
- Taxes, Insurance, and Special Assessments:
 - Short term (6 to 12 months):** paid up front for term of loan
 - Long term (24 months plus):** impounded

DISCLOSURE

Investors are provided with:

- The Offering
- The Operating Agreement
- The Subscription Agreement
- Monthly Statements

HISTORICAL INFORMATION

Home Flipping and Financing

The information and disclosure contained in this section was gathered from publicly available sources and not independently verified by the Company or its advisers. Potential investors should consider the information contained herein in connection with such investors sophisticated knowledge of the applicable industry, financial metrics and other information such investors deem relevant that is not contained in this document. The Company does not undertake to update any information contained herein in light of any changes circumstances. Any projections contained herein are subject to certain assumptions regarding the U.S. residential housing market, the national and global economic conditions, the continual access and liquidity of the capital markets at large and other factors that could affect the ability of the Company to place loans to clients and the ability of such clients to complete purchases and sales in the U.S. residential housing market.

Overview

ATTOM Data Solutions, released its Q4 and Year-End 2017 U.S. Home Flipping Report, which shows that 207,088 U.S. single family homes and condos were flipped in 2017, up one percent from the 204,167 home flips in 2016 to the highest level since 2006 — an 11-year high.

The 207,088 homes flipped in 2017 represented 5.9 percent of all single family home and condo sales during the year, up from 5.7 percent of all sales in 2016 to the highest level since 2013.

A total of 138,410 entities (individuals and institutions) flipped homes in 2017, up four percent from the 133,407 entities that flipped in 2016 to the highest level since 2007 — a 10-year high.

"The surge in home flipping in the last three years is built on a more fundamentally sound foundation than the flipping frenzy that we witnessed a little more than a decade ago," said Daren Blomquist, senior vice president at ATTOM Data Solutions. "Flippers are behaving more rationally, as evidenced by average gross flipping returns of 50 percent over the last three years compared to average gross flipping returns of just 31 percent between 2004 and 2006 — the last time we saw more than 200,000 home flips in consecutive years. And while financing for flippers has become more readily available in recent years, 65 percent of flippers still used cash to buy homes flipped in 2017, nearly the reverse of 2004 to 2006, when 63 percent of flippers were leveraging financing to buy."

HISTORICAL INFORMATION CONTINUED

Home flip lending volume up 27 percent to 10-year high

The total dollar volume of financed home flip purchases was \$16.1 billion for homes flipped in 2017, up 27 percent from \$12.7 billion in 2016 to the highest level since 2007 — a 10-year high.

"We aren't surprised that the dollar volume and share of financed flips are hitting new highs," said Matt Humphrey, co-founder and CEO of LendingHome, which saw a nearly 70 percent increase in its dollar volume of loans on home flips completed in 2017 compared to 2016, according to an ATTOM analysis of loan data. "Online lenders like us exist because banks and large lenders don't play in this space, and they aren't using technology to be efficient, nimble and fast. Now that investors have digital-native lenders catering to them, financing becomes an attractive alternative to cash. We predict this trend will continue because 2018 is already off to an incredible start for us."

Flipped homes originally purchased by the investor with financing represented 34.8 percent of homes flipped in 2017, up from 31.6 percent in 2016 to the highest level since 2008 — a nine-year high.

"Institutional demand in this space has grown substantially over the last several years. Fix-and-flip has become an asset class of its own that is well-financed by banks and highly sought by institutional buyers," said Maksim Stavinsky, co-founder and COO at Roc, a nationwide originator which saw close to double the dollar volume of loans on home flips completed in 2017 compared to 2016, according to an ATTOM analysis of loan data.

There are numerous large lenders, like Lima One, Genesis Capital (Goldman Sach's), Five Arch and many others lending into a short-term, low-default rate, high recovery in default mortgage lending environment at rates double what conventional mortgage market yields are.

There are billions of dollars of large institutional support credit facilities and commercial paper conduits supporting the growth and consolidation of this market.

Current Federal Reserve statistical summaries for short-term commercial paper indicate yields of 2.5-3.5% for below investment grade nine month commercial paper issuances. These issuances are not collateral backed, and such issuances are yielding 1-2% where the asset classes are firmly understood, which residential single and multi-family home mortgages made at 65% loan to value levels to FICO scores above 680 clearly are.

Vertical financing niches are defined by the lender process, understanding of the marketplace and intelligent parameters that are interactive and proactive

SUMMARY OF WHY TO INVEST IN INSULA CAPITAL GROUP

- The Experience
- The Market Place
- The Security
- The Criteria
- The Track Record
- The Support Systems
- The Qualifying Process
- The Return On Investment

MANAGEMENT

Our Company's Top Talent



Edward J. Stock

Managing Partner
Insula Capital Group, LLC

Contact: 631-468-8810 | estock@insulacap.com

- Over 20 years of experience in residential and commercial real estate financing
- Experience in structuring commercial financing transactions with funding from diverse loan products
- Active residential real estate investor:
 - Long term rentals
 - Rehab properties
 - New construction projects

MANAGEMENT

Our Company's Top Talent



Joe McDowell

EVP

Insula Capital Group, LLC

- 15 years experience in the financial services industry
- Expert in investment & wealth management
- Active real estate investor

Contact: 631-468-8656 | jmcdowell@insulacap.com

CONTACT US

Mailing address

627 Horseblock Road Farmingville, NY 11738

Email address

info@insulacap.com

Phone number

1.833.319.3517

LOAN PORTFOLIO SYNOPSIS – 2/28/22

Total Loan Count:	1874
Total Origination Volume:	\$529,134,158.57
Average Loan Amount:	\$282,355.47
Average ARV:	\$467,226.40
ARV %:	60%
Average FICO:	701
Loan Term:	12 Months
WALA:	8.5 Months
GWAC:	10.9%

These materials have been prepared solely for informational purposes. They are not, and should not be assumed to be complete. Insula Capital Group makes no representation or warranties with respect to the information provided hereunder. Nothing within this document shall constitute an offer to sell any securities or constitute solicitation of an offer to purchase.

Information presented within this document is confidential and proprietary to Insula Capital Group LLC it may not be reproduced in whole or in part or used for any purpose except as authorized by Insula Capital Group and is to be treated as strictly confidential. It is not to be disclosed directly or indirectly to any party other than the recipient. By accepting receipt of this document, the recipient agrees to comply with this restriction and confirms their understanding of the limitations set forth in this disclaimer.

**MAX ARV ALLOWABLE UNDER GUIDELINES IS 65%
DATA TAPE AVAILABLE UPON REQUEST**