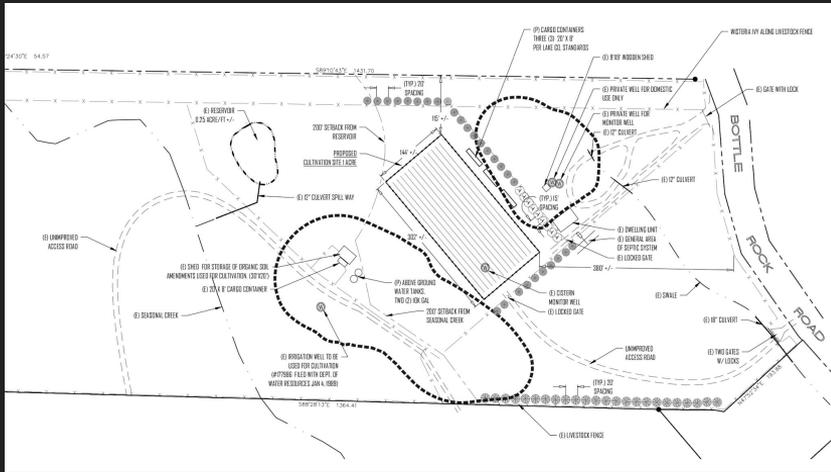


A lush green forest scene with a stream flowing through it. The water is clear and reflects the surrounding trees and foliage. The stream is bordered by large rocks and dense green grasses. The overall atmosphere is peaceful and natural.

# Bottle Rock Herbal Medicine, LLC

*Off Harvest - On Time*

# About the Project



Bottle Rock Herbal Medicine, LLC (BRHM) intends to develop a **22,000 square feet commercial indoor-greenhouse** to cultivate premium cannabis for the wholesale market. Located in Lake County, California, the property sprawl **22 acres in total**, with a one-acre parcel permissible for cannabis cultivation. Having **grown medicinal cannabis on one of the neighboring properties in 2011 and 2012** respectively, it's proven the landscape to be an ideal cannabis cultivation environment.

# The Problem

With **limited shelf space in the California** cannabis retail market, both **large cannabis flower producers and craft-boutique cultivators** are engaged in a **constant battle** in acquiring and maintaining shelf space **for their brands**. For the survival of these consumer focused brands, it's imperative that they are able to consistently stock the shelves of their retail accounts in order to **retain the shelf space** they have desperately fought to acquire. As cannabis is on a **seasonal or bi-seasonal harvest cycle** (dependent upon location and technique), the demand for yearly-available wholesale cannabis is on the rise.



# The Solution



Photo by Sebastian Herrmann on Unsplash

Offering strain specific premium commercial indoor cannabis to our customers, **we can offer bulk cannabis flower outside of the traditional harvest cycle**. BRHM has the opportunity to develop a massive 22,000 square foot commercial cannabis indoor greenhouse that will follow an off-harvest cycle to provide for the industry's droughts. The greenhouse will be equipped to accommodate the cultivation of **thousands of pounds per year; with three harvests per year**. BRHM is the safety net for brands that allows them to consistently supply their retail locations with premium cannabis during the "off" season.

A close-up photograph of a green cannabis leaf, showing the intricate structure of the serrated leaflets. Several clear water droplets are perched on the surface of the leaf, reflecting light. The background is softly blurred, showing more of the plant's foliage.

# The Market's Growing

There's a large market for cannabis flower and cannabis trim within the state of California. In fact, **by 2022**, Marketnewsupdates.com projects the global cannabis market to be worth as much as \$32 billion, a three-fold increase in just five years.

**United States** production is anticipated to fuel much of that growth, with an expected **market value of \$23.3 billion**. The largest group of cannabis buyers is predicted to be in North America: Forbes projects it is increasing from \$9.2 billion in 2017 to \$47.3 billion a decade later.

#### References

<https://www.forbes.com/sites/irisdorbjan/2019/08/15/california-is-worlds-biggest-legal-pot-market-says-new-report/#161e9d954cd7>

# Understanding the Industry

BRHM offers the following wholesale product types:

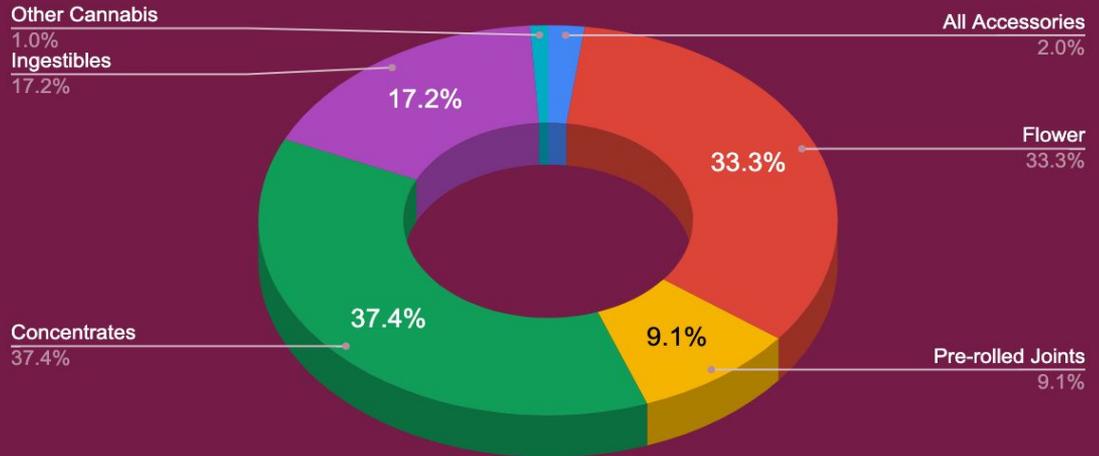
- Wholesale Flower
- Wholesale “Smalls”
- Wholesale Trimmings

A first glance, and without industry specific information, one would assume BRHM's wholesale products only target one specific aspect of retail sales - flower. In reality, **the three product offerings are: components, ingredients, or the entire product of 98% of retail sales in the industry.**

Our customers use of the products:

- Flower - packaged as-is into consumer sized finished goods.
- Smalls - used in pre-rolls, for high grade concentrates, or processed for use in ingestibles.
- Trimmings - used in pre-rolls, for general concentrates or processed for use in ingestibles.

## Retail Sales by Category - California



Reference:

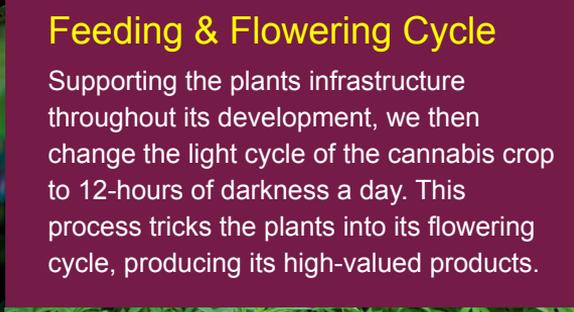
<https://www.newcannabisventures.com/bds-analytics-details-cannabis-market-trends-in-4-key-western-states-during-june/>

# Cultivation Process



## Planting & Vegetative Cycle

Using clones or teens, the plants are deposited into cultivation bags where they are “topped” and fed nutrients in order to develop robust bushes of cannabis. The vegetative cycle is critical for the establishment of the plants infrastructure.



## Feeding & Flowering Cycle

Supporting the plants infrastructure throughout its development, we then change the light cycle of the cannabis crop to 12-hours of darkness a day. This process tricks the plants into its flowering cycle, producing its high-valued products.



## Harvesting, Drying & Curing

With the potential of developing mold and mildew, it's imperative to keep strict controls on the environment during this phase. Constantly monitoring humidity and temperature is essential to ensure a consistent and quality finished product.



## Business Model

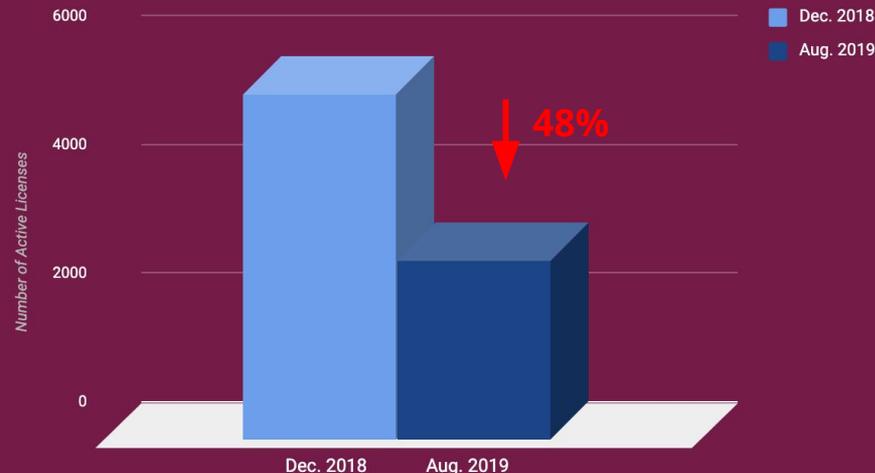
BRHM will be producing indoor quality cannabis offered in **bulk wholesale for clients to create finished products for the consumer market**. Eliminating the excessive costs associated with developing retail ready products, this strategy reduces the need for costly marketing and sales teams. As the entire crops can and will be purchased by a handful of clients, the **sales cycle is simplified and sustainable**. Targeting an off-cycle harvest, it's intended to have **product ready during the "driest" times of the year**, such as: February, May and August.

# Competition

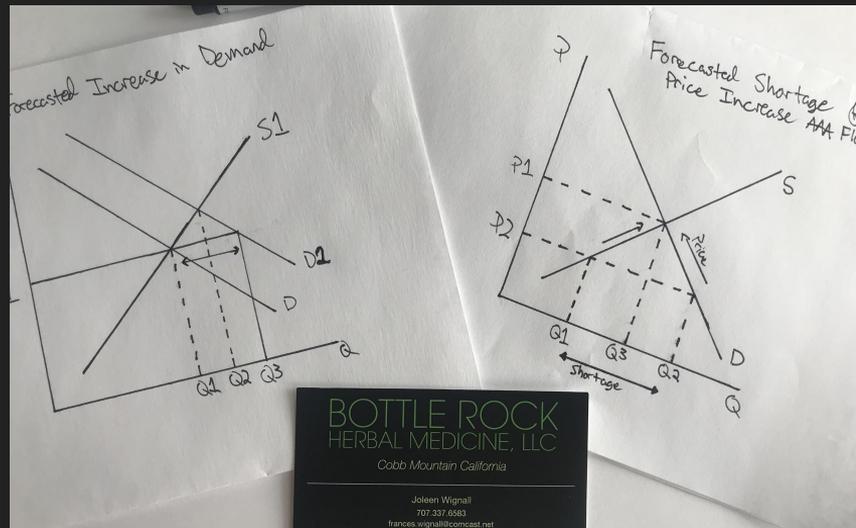
The number of cultivation operations has substantially decreased since the inception of cannabis licensing in California. As of December 28th, 2018 - 5,381 cannabis cultivation licenses were active in California. As of August 22nd, 2019 - 2,795 licenses remain. In total, **active cultivation licenses have decreased by 48% in less than a year.** This substantial decline presents an immense opportunity to capitalize on the industry's fall out.

Reference: <https://mjbizdaily.com/california-cannabis-license-contraction-2019/>

## 48% Decrease in CA Cultivation Licenses



Reference: <https://mjbizdaily.com/california-cannabis-license-contraction-2019/>



The drastic decrease in licensed cultivators creates a **foreseeable shortage** in an industry where **consumer demand is increasing**. While a majority of the licenses issued by the state are considered “small,” allowing for only 10,000 square feet of grown space, there are a handful of large scale commercial cultivators who have stacked these licenses in order to have access to over a million square feet of outdoor cultivation space. These **large licensed conglomerates** focus specifically on light deprivation and outdoor cultivation techniques, **saturation and dominating the middle and lower tier markets**. As a result, small craft producers are competing in the AAA market, which proves an optimal time **for BRHM to own this opportunity.**

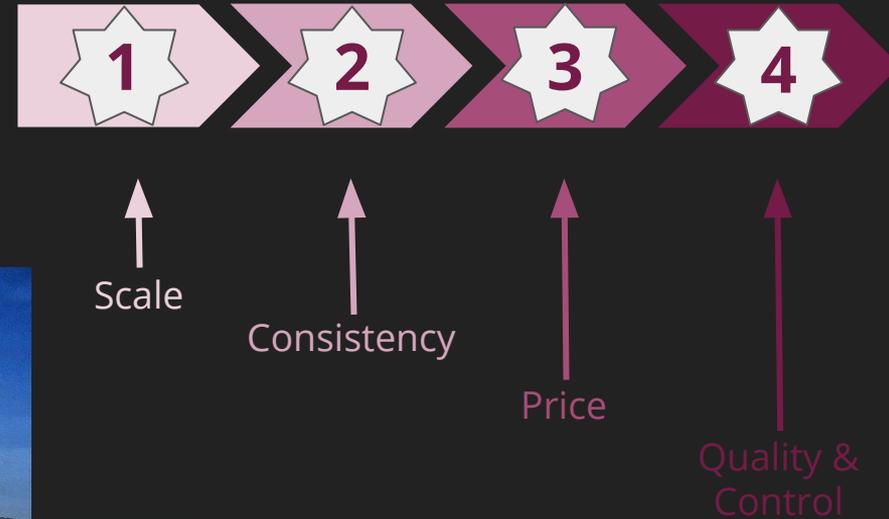
**BOTTLE ROCK**  
HERBAL MEDICINE, LLC

Cobb Mountain California

Joleen Wignall  
707.527.6883  
francise.wignall@bottlerock.net

# Competitive Advantage

BRHM's competitive advantages are: the scale of the production, the consistency of the product (strain specific), the price the product will be sold at, and finally, the quality and control of: the harvest cycle, production, and finished product.



While the operation will produce the highest quality product, the two largest competitive advantages that BRHM has are its **off-cycle production schedule** and the ability to **undercut the current market price for AAA flower**. Currently, AAA wholesale flower sells at \$1,750-\$2,100 per pound. BRHM's intends to price its' AAA wholesale flower at \$1,400 per pound.

# Timeline

BRHM's timeline is dependent upon the completion of each critical milestone. The milestones are identified as key business objectives.

2020

01

## Capital Raise

Receive capital for initial development, including minor construction and all administrative permits.

July 2020

Dec. 2020

## Major Use Permit

Secure final and permanent authorization from locality to cultivate cannabis (valid for a 10-year term).

02

**03**

**Construction**

Begin development and construction of the greenhouse.

**Jan. 2021**

**Feb. 2021**

**Submit State License**

With a completed buildout and local authorization, we will be able to submit our annual state license to the CDFA.

**04**

**05**

**First Production Cycle**

Prepare and initiate the planting of the first crop in the greenhouse.

**Apr. 2021**

# OUR TEAM

BRHM's team is the combination of entrepreneurs, historical commercial farmers, vineyard operators, and cannabis cultivators. Each team member shares the collective vision of producing the best cannabis possible at the most critical times of the year. BRHM is equipped to tackle any obstacles that may arise on or off the cultivation site. The combination of technical know-how, experience, and business acumen brought by each individual of the team makes BRHM a uniquely-advantageous cannabis cultivation operation.



**Joleen Wignall**

Property Owner &  
Partner



**Charles Ewing**

Operations Manager



**Glen Bauer**

Project Development  
&  
Horticulturist



**Joshua T. Serpa**

Project Manager &  
Cultivation  
Supervisor



**Grant J. Lapinski**

Compliance  
Consultant

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# Joleen Wignall

## Property Owner & Partner

In 1982, Joleen Wignall's parents decided to make their family ranch at 13095 Bottle Rock Road, Cobb Mountain, into a place where children could be in nature by starting Camp Indian Meadows in Lake County, California. Joleen Wignall acted as the **camp's office administrator, gardener, baker and overall day-to-day operations manager**. Joleen Wignall continued the overall operations of Camp Indian Meadows, through 2019. Joleen Wignall's business acumen and understanding of the operations will prove extremely valuable in realizing the company's milestones.



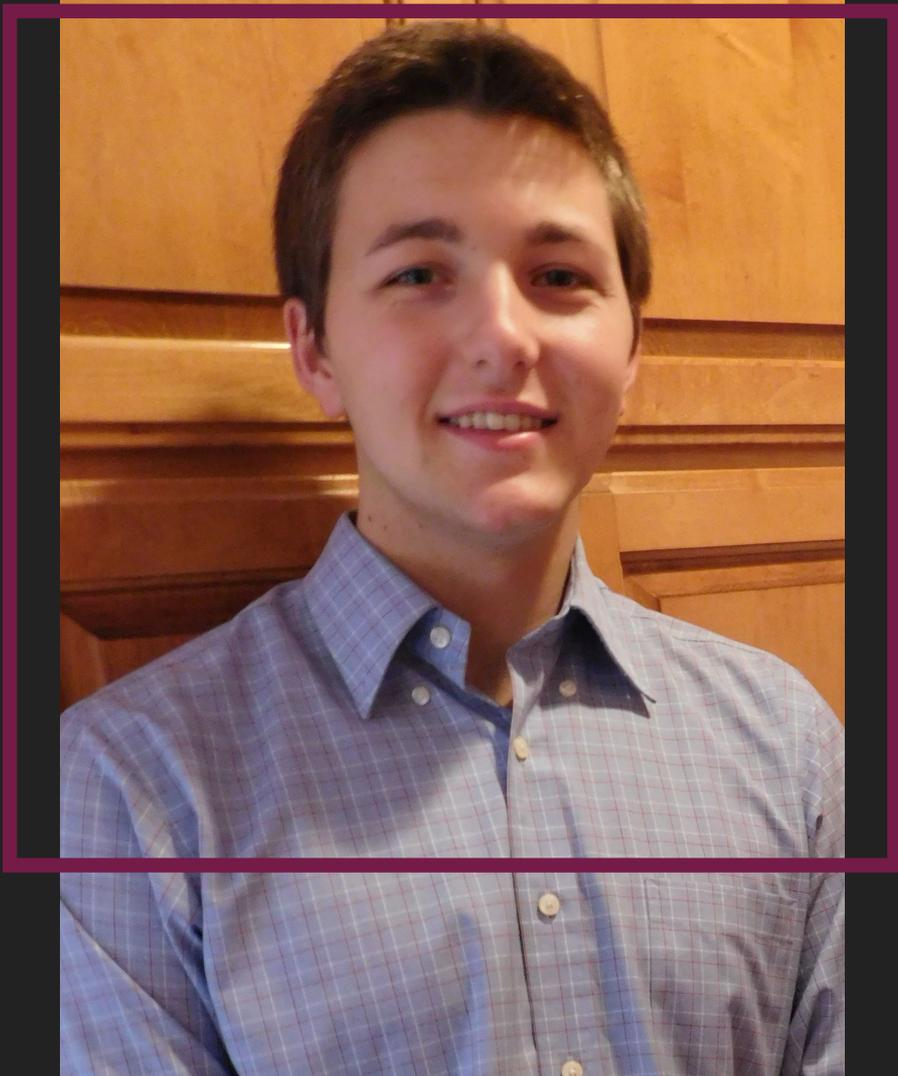
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# Charles Ewing

## Operations Manager

As his father and step-father were both commercial farmers, Mr. Ewing has **been engulfed in the operations of commercial farming** since a very young age. Mentored by these two successful farmers, Mr. Ewing was installed the fundamental work ethics of: **dependability, reliably, self-sufficiency, and an all around go-getter mentality.**

Having adopted a well-found understanding of **business development and operations through his years of hands on work and administrative training**, Mr. Ewing is an ambitious early riser who intends to take on this opportunity in stride. With a passion for cannabis, and surrounded by the entrepreneurial team of BRHM, **Mr. Ewing will be managing the expenses of the company and general operations.**



# Glen Bauer

## Project Development & Horticulturist

At age 10, Mr. Bauer started his career working as a gardener for Mark West Lodge restaurant. **By age 12, he had built his first greenhouse** and was selling cuttings and seeds. In his junior and senior year of high school, he was **an honorary member of the Ornamental Horticulture team**. Shortly after graduation, Mr. Bauer became the **President of Young Farmers of America**. Mr. Bauer's accomplishments led him to college, where he **majored in Ornamental Horticulture at Cal Poly San Luis Obispo**.

After graduating from college, Mr. Bauer **opened his own nurseries** in Healdsburg and Cobb, California. **Concentrated on specialty seeds and cuttings**, Mr. Bauer has been focusing on high-level custom orders for clients. Through it all, Mr. Bauer has been **designing and installing irrigation systems** for his clients the last 25 years. Mr. Bauer expertise' offer immense value to BRHM as the lead for project development.



# Joshua T. Serpa

## Project Manager & Cultivation Supervisor

Mr. Serpa has a complete background in startup planning, business execution, revenue stream development, **general management and product development**. Mr. Serpa began his entrepreneurial ventures in 2003 when he **founded and opened Oregon Rainforest Co.**, which quickly became a successful retail outfit for high tech indoor growing supplies. By 2009, Joshua **successfully sold his retail business and started farming cannabis full time**.

Mr. Serpa has skills related to farming indoors, outdoors and in greenhouses. His expertise in **crop management, integrative pest management, harvesting, greenhouse growing and crop rotation cycles are ideal** for small-to-large scale enterprises. Offering a diverse background of start-up entrepreneurship and cannabis cultivation, Mr. Serpa will be a **critical component in ensuring a consist-quality product for BRHM**.



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# Grant J. Lapinski

## Compliance Consultant

Mr. Lapinski is a business development and operations executive, business strategist, entrepreneur, and a private business consultant. Having consulted with countless companies in an array of industries, Mr. Lapinski **effectively develops and executes strategies and procedures for his clients that promote continuous growth and scalability.**

**In the cannabis industry, Mr. Lapinski co-founded two companies in 2018 and took on the task of securing the two provisional licenses** for those companies. Exiting both operations he co-founded in late 2018, Mr. Lapinski has since been **consulting and advising a number of companies in the cannabis industry.** Well-known for being a jack-of-all-trades, Mr. Lapinski brings a strategic mindset and reputable cannabis start up experience to BRHM.



# Forecasted P&L

<b>Forecasted P&amp;L</b>	<b>2020 (year 1)</b>	<b>2021 (year 2)</b>	<b>2022 (year 3)</b>	<b>2023 (year 4)</b>	<b>2024 (year 5+)</b>
Revenue	-\$1,668,929.87	\$5,135,000.00	\$5,135,000.00	\$5,135,000.00	\$5,135,000.00
Operational Expenses	NA	\$1,549,094.40	\$1,549,094.40	\$1,549,094.40	\$1,549,094.40
Build-out (Expansion)	\$1,668,929.87	NA	NA	NA	NA
Gross Profit	NA	\$1,916,975.73	\$3,585,905.60	\$3,585,905.60	\$3,585,905.60
Crop Management (10% to 5% Profit Share)	NA	\$191,697.57	\$179,295.28	\$179,295.28	\$179,295.28
Net Profit (Taxable Income)	NA	\$1,725,278.16	\$3,406,610.32	\$3,406,610.32	\$3,406,610.32
<b>Cash-on-Hand</b>		\$4,943,302.43	\$4,955,704.72	\$4,955,704.72	\$4,955,704.72
*Next Year Operating Expenses	NA	-\$1,549,094.40	-\$1,549,094.40	-\$1,549,094.40	-\$1,549,094.40
Return of Investor Capital	NA	-\$1,668,929.87	-\$1,000,000.00	-\$549,094.40	NA
Remaining Cash-on-Hand	NA	\$1,725,278.16	\$2,406,610.32	\$2,857,515.92	\$3,406,610.32
<b>Membership Interest Allocation</b>	NA	\$1,725,278.16	\$2,406,610.32	\$2,857,515.92	\$3,406,610.32
Investor (50%)	NA	\$862,639.08	\$1,203,305.16	\$1,428,757.96	\$1,702,805.16
Remaining Members (50%)	NA	\$862,639.08	\$1,203,305.16	\$1,428,757.96	\$1,702,805.16
<b>Investor Financials</b>					
Year-End Investor Gross Return	NA	\$2,531,568.94	\$2,203,305.16	\$1,977,852.36	\$1,702,805.16
Running Investment Balance	-\$3,218,024.27	-\$686,455.33	\$1,516,849.83	\$3,494,702.19	**\$5,197,507.35
		<b>Content Key</b>			
		Investment: \$3,218,024.27			
		Return of Investor Capital			
		Investor Interest/Profit			
		Running Investment Balance			
*Operational Expenses for each year are allocated from the year prior					
**Each subsequent year after year 5 adds \$1,702,805.16 to Running Investment Balance					

# Funding

Capital raise:

**\$3.22M for 50% equity in Bottle Rock Herbal Medicine LLC.**

The investment will be allocated as follows:

- \$1.67M will be dedicated towards initial set-up costs, including but not limited to, the building of the first greenhouse, required property upgrades, licensing, permitting, etc.
- \$1.55M will be allocated towards working capital and first year's production.

**YOU MUST MEET THE SEC GUIDELINES OF AN ACCREDITED INVESTOR TO PARTICIPATE.**

Accredited Investor information: [Click Here](#)

Note: We will be accepting partial investments for the funding round.

# Use of Funds

## Initial Build-out: \$1,668,929.87

\$699,853.00 - Structure, Upgrades & Lease  
\$340,183.44 - Water & Property Development  
\$3,900.00 - Permits  
\$18,000.00 - Liability Insurance  
\$112,000.00 - Power Upgrade & Backup Power  
\$55,484.00 - Labor  
\$236,500.00 - Trimming, Curing & Storage  
\$13,945.00 - Fees & Licensing  
\$61,500.00 - Professional Services  
\$36,226.00 - General Equipment  
\$100,000.00 - Working Capital/MISC Expenses

## Operational Funds: \$1,549,094.40

\$151,200.00 - General Expenses  
\$315,166.40 - Fertilizer, Pest Control & PPE  
\$46,800.00 - Permits  
\$18,000.00 - Liability Insurance  
\$262,556.00 - Power  
\$351,884.00 - Labor  
\$66,575.00 - Trimming & Curing  
\$44,517.00 - Fees & Licensing  
\$9,000.00 - Professional Services  
\$8,600.00 - General Equipment  
\$224,796.00 - Testing & Distribution/Sales  
\$50,000.00 - Working Capital/MISC Expenses

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# Contact Us

Thank you for your time and consideration. We look forward to hearing from you soon.

**Joleen Wignall**

**Property Owner & Partner**

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Email: frances.wignall@comcast.net

**Bottle Rock Herbal  
Medicine, LLC**

*Off Harvest - On Time*