16980 RACCOON AVE
ADELANTO, CA 92301

REO Property Specialists

Atlas | (213) 399-5260 | CGov@atlasre.com

LICENSED CANNABIS FACILITY

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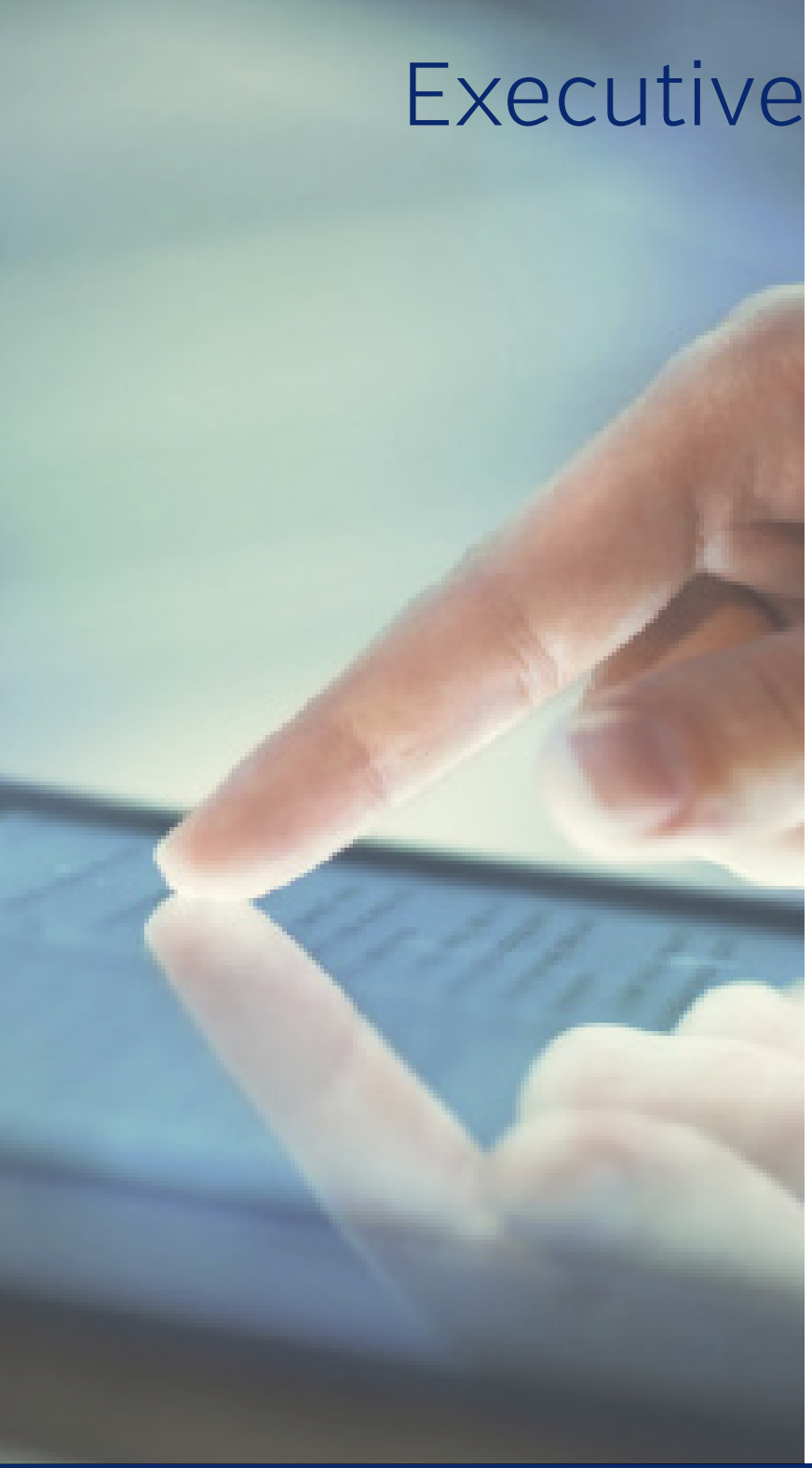
Executive Overview

1



Executive Summary

THE PROPERTY

16980 Raccoon Ave, Adelanto, CA 92301

- A Licensed 24,000 Sq.Ft. Cannabis Cultivation and Manufacturing Facility
- 4,000 AMPS of 480 3 Phase Power Available
- 4.7 Acres of Land.
- Can add an additional 82,000 Sq.Ft. of indoor cannabis production $794,352.51

PRICING

Price	$5,600,000
Estimated Cap Rate	51%
Estimated Net Operating Income	$15,422,000
Use	Cannabis Cultivation, Manufacturing and Distribution

PROFORMA ESTIMATES

Estimated Number of Flower Lights	1,400
Pounds Per Light (Indoor AAA Quality)	2.25 Pound/Light/Harvest
Annual Number of Harvests	5
Pounds Produced Annually	15,750
Sales Price Per Pound	$1,800
Cost Per Pound	$500
Profit Per Pound	$1,300
Annual Gross Profit	$20,475,000

Profit and number of lights that can be installed are estimates. Seller makes no representations or warranties regarding profit or number of lights that can be installed or operated. Buyer is responsible to conduct its independent due diligence and shall not rely on the estimates of profit, revenue or number of lights.

Property Attributes

AVAILABLE MASSIVE POWER: 4,000 AMPS 480V 3 PHASE

2 Buildings - 24,000 Square Feet - 4.7 Acres of Land

- 20,000 Square Foot Warehouse (Building A)
- 4,000 Square Foot Warehouse (Building B)

- Turn Key State of the Art Ethanol Extraction Lab
- 250 Ushio/Gavita Double Ended 1,000 Watt Lights with 1200 Watt Adjustable Ballasts
- Can Fans, Filters, and Oscillating Fans
- 30 Temperature and Humidity Controlled Cultivation Rooms

  Made from 40 Foot Shipping Containers -
  - Each room measures 320 Square Feet
  - These can be used indoor or outdoor

Existing site plans to add an additional 82,000 square feet of cultivation space for a total indoor facility of 106,0002 square feet

Property Overview

Cannabis Licenses: Manufacturing (Type 7 Volatile License), Cultivation License (22,500 Sq. Canopy), Distribution and Transportation License

POWER

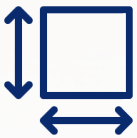
- SCE has formally approved the installation of 4,000 Amps of 480/3 phase power (See attached Approval Letter).
- Power upgrade to be completed within 90 days (per SCE).
- To accommodate the increased power supply, SCE requires site improvements including but not limited to: trenching, purchase and installation of new larger transformers and switch gears, and installation of cement pads. Please review a copy of the SCE power upgrade approval requirements.
- Cost of on-site improvements to facilitate power upgrade is estimated at approximately $150,000 (plus $68,000 to be paid to SCE).

RENTABLE BUILDING AREA

24,000 SF

ASSET TYPE

Industrial



LOT SIZE

4.70 Acres

YEAR BUILT

1992

POWER SUPPLY	4,000 AMPS OF (3) 480 PHASE
ESTIMATED FLOWER LIGHTS	1,400
ESTIMATED VEG LIGHTS	600

Cost of power upgrade is estimated. Seller makes no representations or warranties as to the actual cost. Buyer shall not rely on any information provided by Seller and Buyer has been advised to conduct its own independent due diligence and to obtain independent bids for all improvements.

SOUTHERN CALIFORNIA EDISON®
An EDISON INTERNATIONAL® Company

Southern California Edison Company

12353 HESPERIA ROAD
VICTORVILLE CA 92392

Document #	7590384885
Invoice Date:	08/23/2021
SCE Contact:	John E Martinez
Telephone:	(909)-421-5483
Install - Billing Option:	SCE INSTALL - DISCOUNT

APPROVED
Power Upgrade to 4,000 Amps 480 3 Phase

Site: 16980 Raccoon Avenue - Adelanto

Description	Amount
Service Request Number: 2848434 Project: 16980 RACCOON AVE ADELANTO CA 92301 **Invoice #** 440691	
Item # 466308 Product: 1675530 - LINE EXTENSION Design #: 1254917	$67,510.47
Previous Payment	$0.00

COMMENTS:

* Enclosed are two copies of your invoice. Please return one copy of the invoice with your payment to Accounts Receivable in the enclosed return-addressed envelope. The other copy of the invoice is for your records.
* ALL PRICES ARE APPLICABLE FOR A PERIOD OF 90 DAYS FROM THIS DATE AND ARE SUBJECT TO CHANGE THEREAFTER.
* All payments must be delivered by mail, an alternate postal method, or one of our electronic payment options. Walk-in payments are no longer accepted at any SCE location, including Accounts Receivable.
* Please complete all applications and/or contracts and return to your planning office, using the enclosed return-addressed envelope.
* For the Refundable and Discount Option appendices, choose only one option. Sign "Has Chosen" on the appropriate option and sign "Has Not Chosen" on the other option. Only sign each form once. Return both forms in the enclosed self-addressed envelope.
* If a street light work order is associated with this project, contracts for that project will be enclosed.
* Easement documents will be mailed directly to you from our Right of Way department. Please complete and return them as soon as possible, as we will not be able to proceed with the project without clearance
* Call the Edison company at 1-800-655-4555 to make application for electrical service.
* An Edison Inspector must approve all underground systems. Please call your designated inspector 48 hours prior to construction to schedule an inspection.
* Final electrical inspection from the local governmental building and safety department must be received before we can energize your service.
* By paying this invoice, customer acknowledges and agrees that if this project is canceled by customer for any reason or customer does not proceed with the project completion.
* Any expense incurred by SCE, including, but not limited to, expenses related to engineering, inspection and construction, prior to the project cancellation or completion will be deducted from any applicable refund due to the customer.

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TOTAL PROJECT INVOICE AMOUNT: $ 67,510.47

APPROVED

SOUTHERN CALIFORNIA EDISON
An EDISON INTERNATIONAL Company

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Service Request Number: 2848434 Project:	
16980 RACCOON AVE ADELANTO CA 92301 **Invoice #** 440691	

APPROVED

ADDITIONAL PAYMENT INSTRUCTIONS:

If paying by check, please follow instructions on payment stub

Instructions for wire or ACH payments:

JP Morgan Chase Bank
New York, NY
ABA#: 021000021 - Acct#: 323-394434
SCE Taxpayer ID No. 95-1240335
SCE Contact: John E Martinez
Document #: 7590384885

***** Failure to properly identify your document number and SCE contact may delay the application of funds and initiation of your project**

Special Instructions for overnight delivery methods:

Southern California Edison
Attn: Accounts Receivable
8631 Rush Street G-53
Rosemead, CA 91770

Please detach and return payment stub with payment

Payment Stub

Document # 7590384885

Please pay total amount now due: $ 67,510.47

Thank you for paying promptly
Make check payable to Southern California Edison

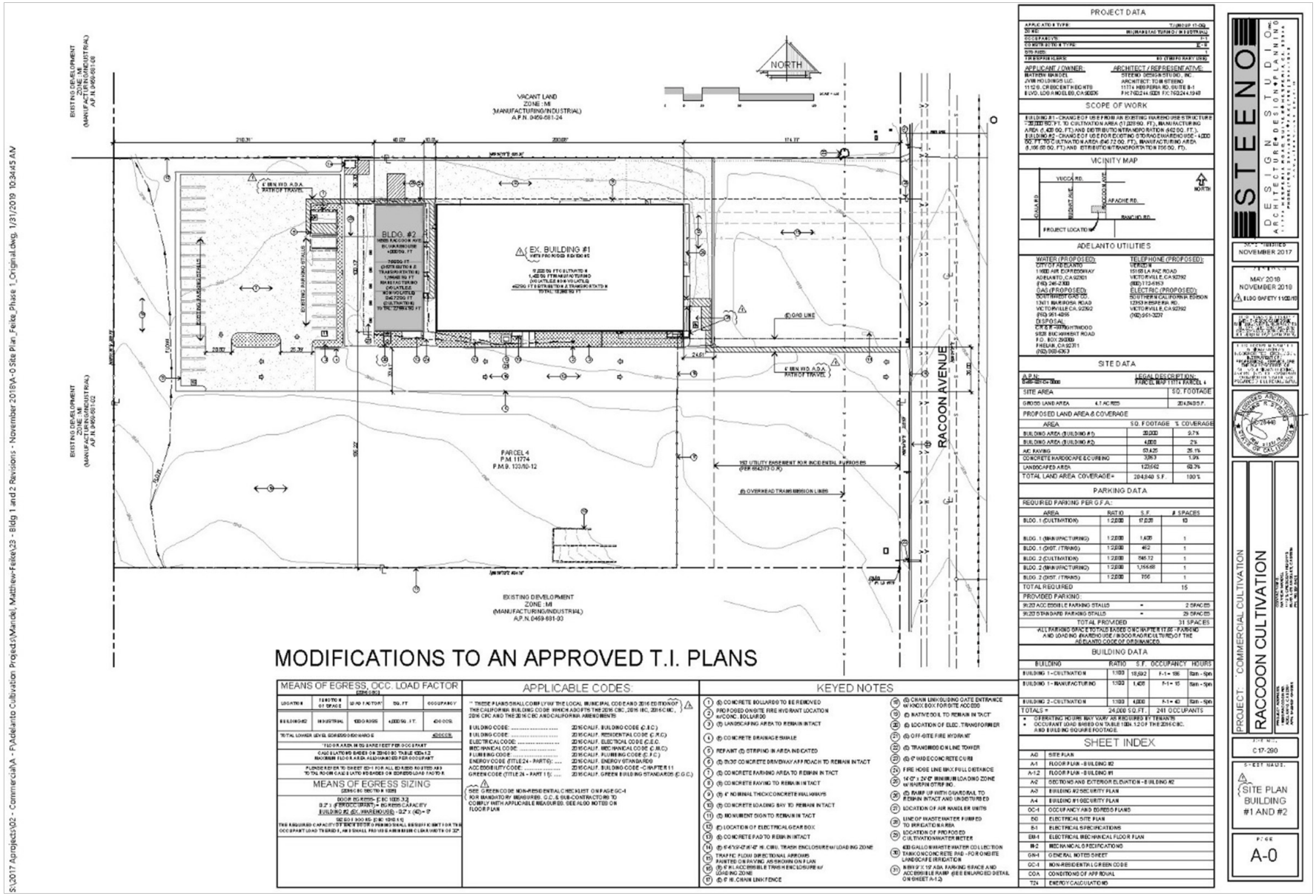
ATTN: Accounts Receivable
PO Box 800
Rosemead, CA 91771-001

Photo Gallery

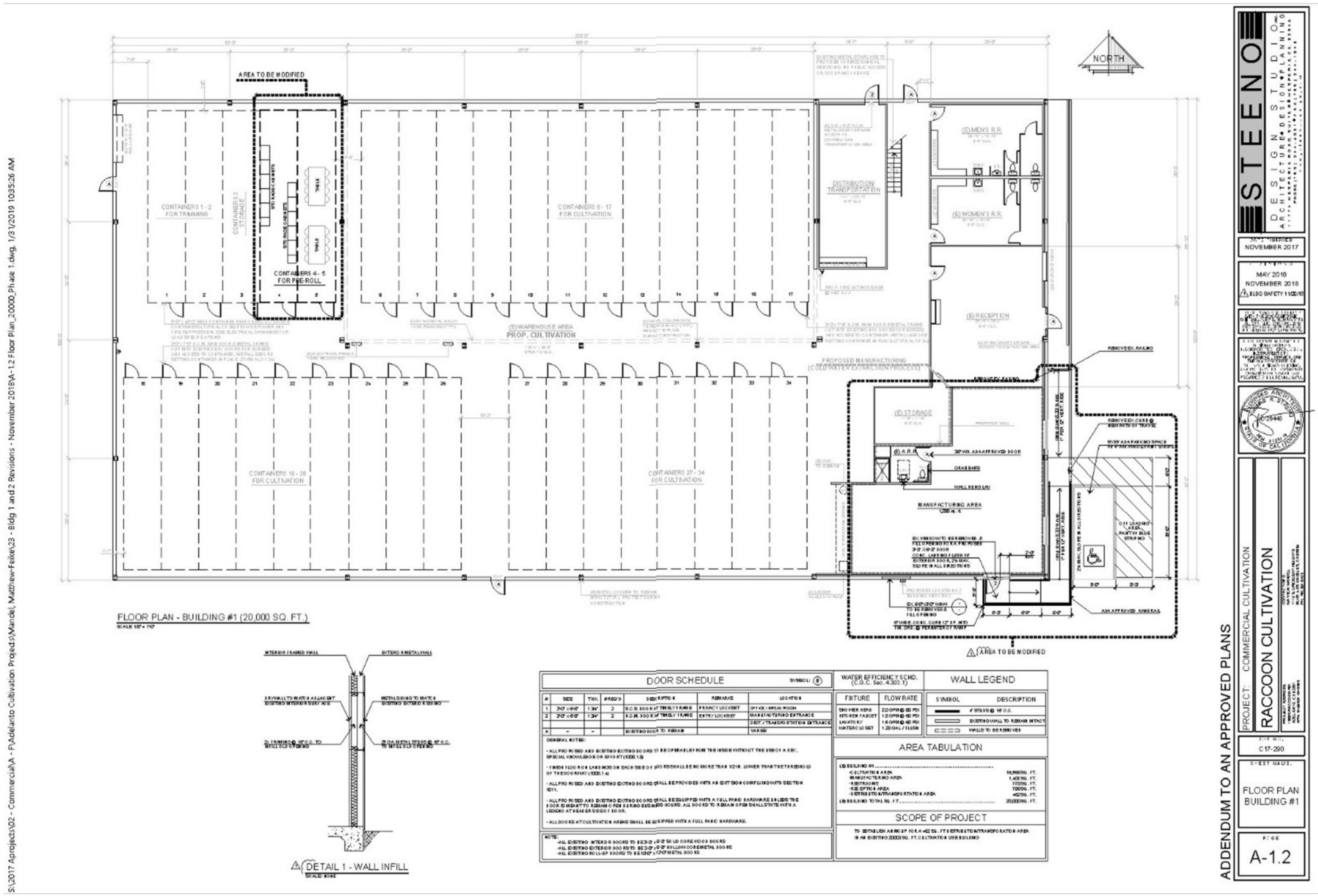
Property Blueprints

2

Site Plan

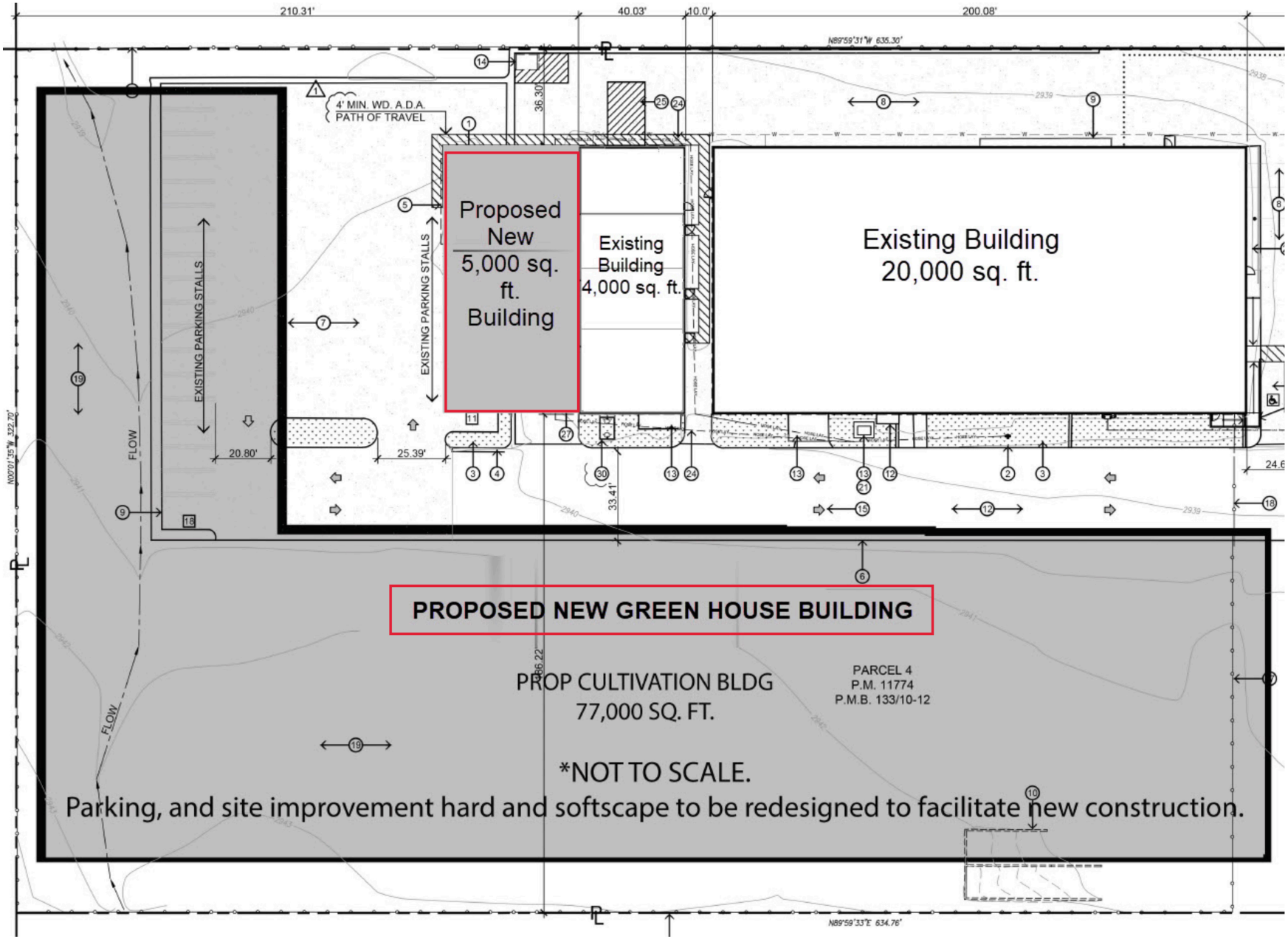

NORTH
VACANT LAND
ZONE : MI
(MANUFACTURING/INDUSTRIAL)
A.P.N. 0469-681-24
BLDG. #2
EX. BUILDING #1
RACOON AVENUE
PARCEL 4
P.M. 11774
P.M.B. 133/10-12
EXISTING DEVELOPMENT
ZONE : MI
(MANUFACTURING/INDUSTRIAL)
A.P.N. 0469-681-03
MODIFICATIONS TO AN APPROVED T.I. PLANS
MEANS OF EGRESS, OCC. LOAD FACTOR
MEANS OF EGRESS SIZING
APPLICABLE CODES:
KEYED NOTES
PROJECT DATA
SCOPE OF WORK
VICINITY MAP
ADELANTO UTILITIES
SITE DATA
PARKING DATA
BUILDING DATA
SHEET INDEX
STEENO DESIGN STUDIO
RACOON CULTIVATION
PROJECT: COMMERCIAL CULTIVATION
SITE PLAN BUILDING #1 AND #2
A-0

Floor Plan



NORTH
AREA TO BE MODIFIED
CONTAINERS 1 - 2 FOR TRIMMING
CONTAINERS 3 STORAGE
CONTAINERS 4 - 5 FOR PRE-ROLL
CONTAINERS 6 - 17 FOR CULTIVATION
CONTAINERS 18 - 26 FOR CULTIVATION
CONTAINERS 27 - 34 FOR CULTIVATION
(E) WAREHOUSE AREA PROP. CULTIVATION
DISTRIBUTION/ TRANSPORTATION
(E) MEN'S R.R.
(E) WOMEN'S R.R.
(E) RECEPTION
(E) STORAGE
PROPOSED MANUFACTURING (COLD WATER EXTRACTION PROCESS)
MANUFACTURING AREA
FLOOR PLAN - BUILDING #1 (20,000 SQ. FT.)
DETAIL 1 - WALL INFILL
DOOR SCHEDULE
WATER EFFICIENCY SCHD. (C.G.C. Sec. 4.303.1)
WALL LEGEND
AREA TABULATION
SCOPE OF PROJECT
STEENO DESIGN STUDIO
NOVEMBER 2017
MAY 2018
NOVEMBER 2018
PROJECT: COMMERCIAL CULTIVATION
RACCOON CULTIVATION
C17-290
FLOOR PLAN BUILDING #1
A-1.2
ADDENDUM TO AN APPROVED PLANS

Property Proposal Plan



Aerial Proposal Plan

*NOT TO SCALE
PARKING, AND SITE IMPROVEMENT HARD AND SOFTSCAPE TO BE REDESIGNED TO FACILITATE NEW CONSTRUCTION

Aerial 3

Aerial Overview

Investment Analysis

4

Estimated $18 Million Cultivation Profit Year 1 (assumes 5 harvests)

16980 RACCOON AVENUE, ADELANTO - CULTIVATION PROFORMA ESTIMATES	INDOOR CULTIVATION
APPROXIMATE CANOPY SPACE (SQ.FT.)	22,600
NET FLOWERING SPACE (SQ.FT.)	22,600
VEG LIGHTS	600
FLOWER LIGHTS	1,400
NUMBER OF LIGHTS (DOUBLE TIER)	2,000
POUNDS PER LIGHT (INDOOR)	2.25
HARVESTS PER YEAR	5
NUMBER OF POUNDS HARVESTED PER YEAR	15,750
SALE PRICE PER POUND	$1,800
GROSS REVENUE	$28,350,000
COST OF GOODS SOLD (EXPENSES)	($7,875,000)
COST OF GOODS SOLD PER POUND	($500)
PROFIT PER POUND	$1,300
GROSS PROFIT PER YEAR	$20,475,000
CULTIVATION TAXES	($2,331,000)
POST TAX REVENUE	$18,144,000
CULTIVATOR SHARE AT 15% OF THE NET PROFITS	($2,721,600)
NET REVENUE SOLD AS POUNDS	$15,422,400
ESTIMATED BUILD OUT COSTS	($2,500,000)
REAL ESTATE MORTGAGE, INSURANCE, PROPERTY TAXES	($485,000)
NET REVENUE YEAR 1 AFTER BUILDOUT	$12,437,400

ESTIMATED CAPITAL REQUIREMENTS	
REAL ESTATE DOWN PAYMENT	($2,257,500)
POWER UPRGADE IMPROVEMENTS	($200,000)
CULTIVATION BUILD OUT (LIGHTS, FERTIGATION, EQUIPMENT, CLONES, CONSTRUCTION)	($2,500,000)
OPERATIONAL COSTS UNTIL HARVEST	($2,075,000)
REAL ESTATE MORTGAGE, INSURANCE, PROPERTY TAXES	($485,000)
TOTAL ESTIMATED CAPITAL REQUIREMENTS	($7,517,500)
PROFIT ESTIMATE END OF YEAR 1 OF HARVEST	$18,144,000
CULTIVATOR SHARE AT 15% OF THE NET PROFITS	($2,721,600)
NET PROFIT AT END OF 1ST YEAR OF 5 HARVESTS	$15,422,400
NET PROFIT END OF 1ST YEAR OF 5 HARVEST AFTER REIMBURSEMENT OF INITIAL INVESTMENT	$7,904,900
CASH ON CASH RETURN EOY1 HARVEST	105%
ESTIMATED NET PROFIT EOY 2 HARVEST	$15,422,400
ESTIMATED NET PROFIT EOY3 HARVEST	$15,422,400
ESTIMATED ROI EOY 3	515%
ESTIMATED TOTAL PROFIT EOY 3	$38,749,700

Seller makes no representations or warranties regarding profits, expenses, costs, sale value of product or the future of the legal cannabis industry. This offering is intended for experienced and sophisticated cannabis investors who understand the risks associated with working with Cannabis. Cannabis is a crop and a commodity and the price and regulations fluctuate dramatically. There is inherent risk in farming or cultivating cannabis.

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