OFFERING MEMORANDUM

700 Highway 32
Kingston, Oklahoma 73439

FinialGroup

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THE OFFERING

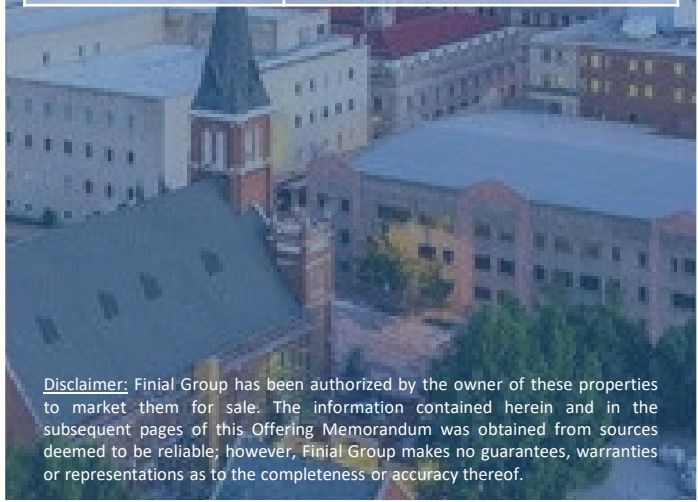
Finial Group – Houston, LLC ("Finial Group") in conjunction with Commercial Oklahoma, Inc. ("COI") is pleased to exclusively offer the opportunity for investors to acquire 700 Highway 32 in Kingston, OK (the "Property"). The Property consists of 3 structures currently being used by the seller for the operation of their business. The seller, Merritt and Hale Farms, LLC, will look to sign an 84-month leaseback as a part of the sale of this property.

The Property presents investors a unique opportunity to acquire an income producing property at below replacement cost. The strategic location of this Property, combined with the exponential growth of the Seller's business make this an attractive opportunity for yield-on-cash buyers. The Seller's plan is to take the proceeds from the sale of the real-estate to reinvest back into their business and increase production.

Regional Credit Tenant	**Stabilized Cash Flow Day 1**	**Annual NOI Growth through Rental Increases**	**Irreplaceable Location**

PROPERTY SUMMARY

# of Buildings	3	
Size	27,360 SF	
Land	8.24 Acres	
Year Built	Bldg. 1	1987
	Bldg. 2	2019
	Bldg. 3	2020
Tenants	1	
% Leased	100%	
Lease Term	7 Years	
Year 1 NOI	$232,560	



Disclaimer: Finial Group has been authorized by the owner of these properties to market them for sale. The information contained herein and in the subsequent pages of this Offering Memorandum was obtained from sources deemed to be reliable; however, Finial Group makes no guarantees, warranties or representations as to the completeness or accuracy thereof.

INVESTMENT HIGHLIGHTS

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The Property is ideally located in Kingston, OK on Hwy 32, which gives great access to Hwy 75 and I-35 which can be used to reach most of the North Texas market. The Seller, M&H Farms currently use the facility as a medical cannabis grow farm. With the upcoming referendum in Oklahoma to legalize cannabis recreationally in March 2023, M&H Farms is looking to raise profits through a sale-leaseback in order to increase production with the likely regulatory changes coming.

M&H Farms will sign a 7-year lease at the time of closing at $8.50 NNN with two 5-year options to renew at the then prevailing Fair Market Rental Value. This gives investors the unique opportunity to acquire an income-producing property at below replacement cost, with a Tenant that is positioned for tremendous growth over the next 3-5 years.

INVESTMENT HIGHLIGHTS

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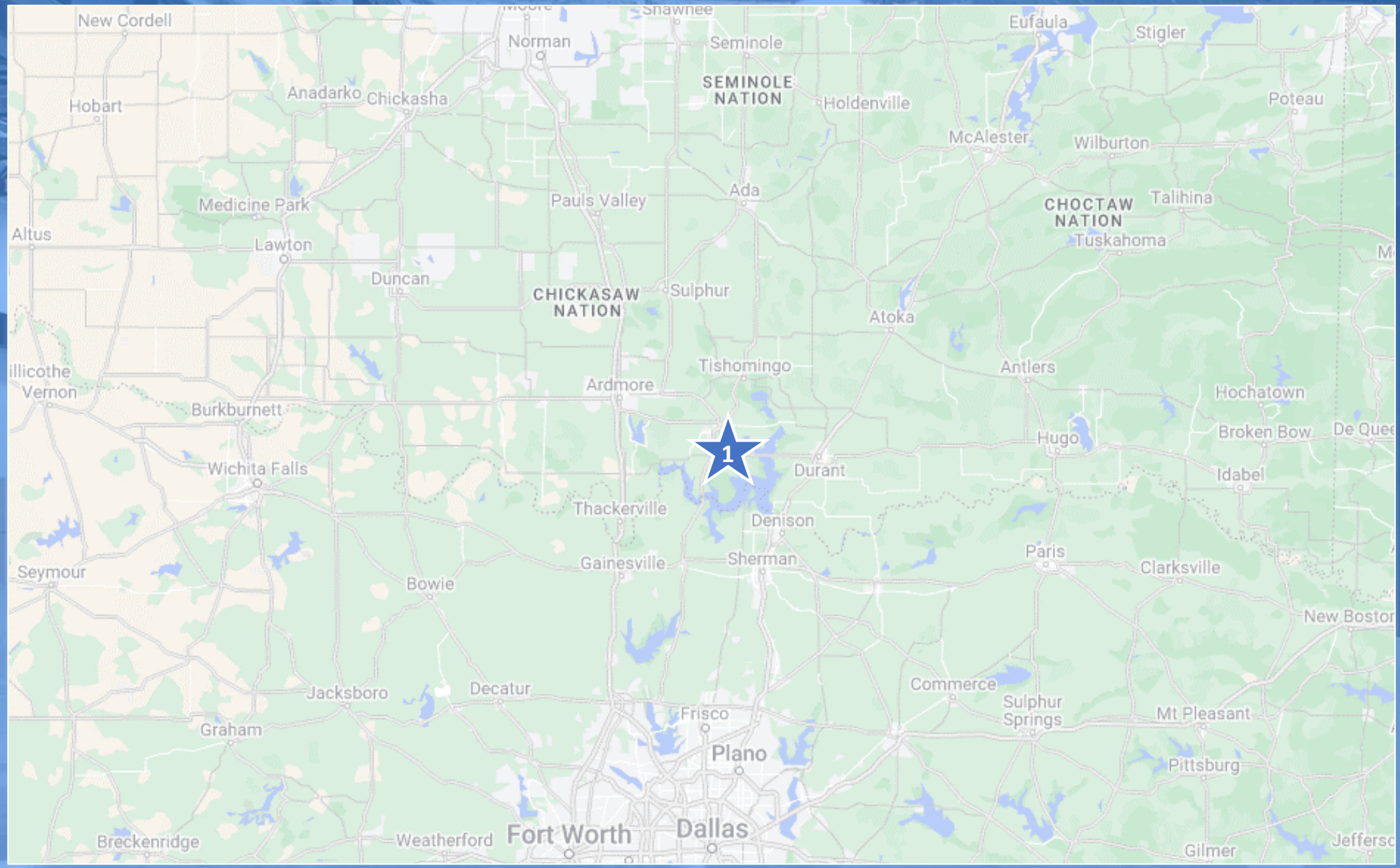

1 700 State Highway 32
Kingston, OK

BUILDING HIGHLIGHTS

700 Hwy 32 is a three-building property occupied by M&H Farms. With easy access to Hwy 75 and I-35, the location of this building provides easy access to Southern Oklahoma and the North Texas markets. The original structure on the property is an older ranch style home that has been converted into general office and storage use by the Seller. The two newer structures on the property were built by the Seller in 2019 and 2020 respectively and are the main centers for the grow operation on the property.

The main facility, the 20,000 SF grow building, is equipped with over 5,000 amps of power that service the water filtration, HVAC, and lighting needs in the grow facility. The smaller of the two structures is equipped with a fully serviced kitchen with multiple large pieces of machinery and is serviced by 800 amps of power.

The 8.24 acres is mostly not stabilized but could be added in the event re-tenanting the building was necessary.

Property	700 Hwy 32	
Size	22,796 SF	
Land	8.24 AC	
Year Built	Bldg. 1	1987
	Bldg. 2	2019
	Bldg. 3	2020
Construction	Metal	
Clear Height	22’	
Power	3P – Heavy Amperage	
Roof Type	Metal	

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M&H Farms – Tenant Information

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Based in southern Oklahoma, M&H Farms owns and operates a premium-grade, reputable cannabis farm and processing center that is focused on consistent, safe and quality grow processes. Their goal is simple—to produce the best possible cannabis products for our customers.

Since entering the market in 2018, they have focused on building a grow facility that's high in quality and putting safety first. They have become a trusted partner & supplier within the state's legalized and regulated cannabis industry.

There are favorable tailwinds in the Oklahoma cannabis industry (see list below). As a result, the owners have a strategic plan to invest the capital obtained from the sell/leaseback and take full advantage of these positive market conditions. The investments include but are not limited to hiring people/talent, buying additional equipment, and marketing/branding.

The business is poised for continued, significant growth for the following reasons:

- The governor of Oklahoma has officially called for a special election in March 2023 for voters to decide on full cannabis legalization. Currently, only Oklahoma residents with a medicinal card can purchase cannabis. This vote would fully open the market and legalize cannabis for all consumers (residents and non-residents with no medicinal card needed).
  - With M&H positioned in southern Oklahoma, this proximity to Texas residents is a strategic advantage as this group brings strong demand for cannabis products.
- Earlier this year, Oklahoma implemented a moratorium on any new cannabis licenses in the state of Oklahoma for the next two years, limiting competitors and supply, both of which are positive for the business' growth targets and related profitability.

South Central Oklahoma

INDUSTRIAL MARKET OVERVIEW

South Central, OK

Key Takeaways:

- South Central Oklahoma's economy is traditionally known for its industries, which include agricultural processing equipment plants, trailer manufacturing plants, wire and steel plants, medical industry, tourism and medical marijuana growing operations.
- South Central Oklahoma is strategically located between Dallas and Oklahoma City and includes major thoroughfares Interstate 35 and US Highway 69-75
- Tenant demand and market rent growth of 9.75% continue to outpace the nation's average, driven by the region's demand for functionally outfitted facilities.

Key Industrial Metrics:

- Inventory: 15.4 Million SF
- Total Vacancy: 2.0%
- Net Absorption (YTD): 261,000 SF
- Annual Rent Growth: 9.75%
- 12 Month Sales Volume: $16.3 M

**Some Data and Graphics are Courtesy of CoStar Group*

Kingston, OK

Key Takeaways:

- Kingston, Oklahoma is located halfway between Interstate 35 and US Highway 69-75. These thoroughfares give Kingston access to Dallas, Tulsa, and Oklahoma City.
- Tourism is Kingston's largest industry with more than 7 million visitors that travel to visit Lake Texoma a year.

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LEASEBACK SCHEDULE

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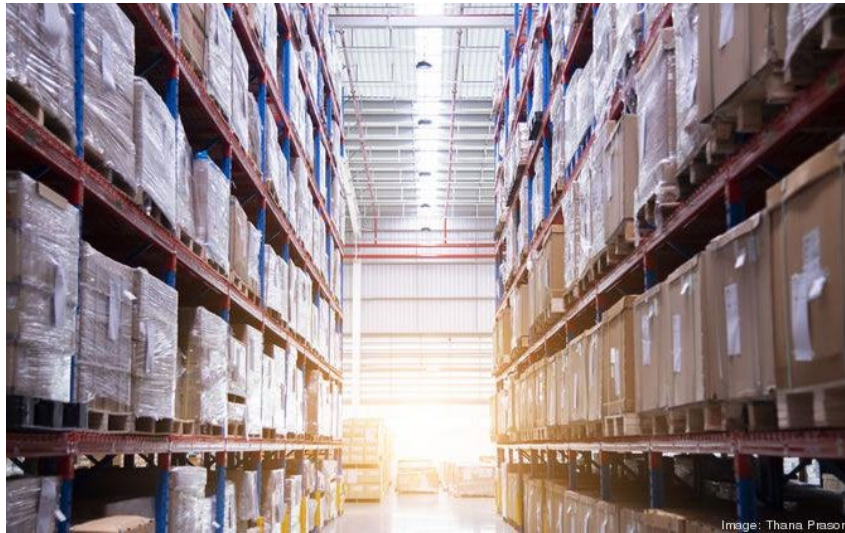
Year	SQFT	Rate	Monthly Base Rent
1	27,360	$8.50	$19,380.00
2	27,360	$8.76	$19,961.40
3	27,360	$9.02	$20,560.24
4	27,360	$9.29	$21,177.05
5	27,360	$9.57	$21,812.36
6	27,360	$9.85	$22,466.73
7	27,360	$10.15	$23,140.73



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