

The Rainmaker

Offering Memorandum

Cannabis Business Portfolio
Petrolia, CA

Please Click Here for the
Confidentiality Agreement



LOCKEHOUSE
INVESTMENT SALES TEAM



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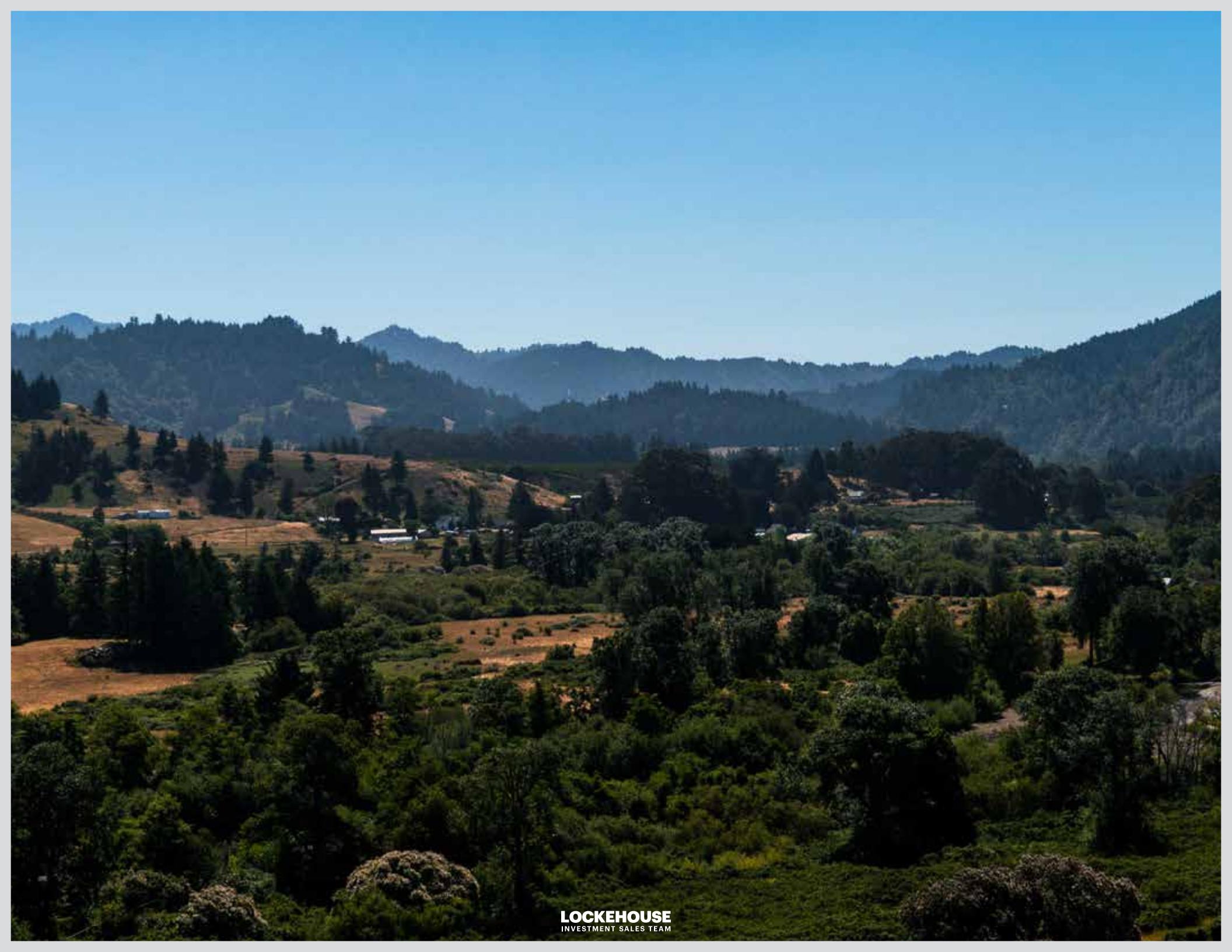
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Please note that possessing, selling, using, and distributing marijuana are illegal under federal law. Federal law currently conflicts with California State Law Senate Bill 94: Medicinal and Adult-Use Cannabis Regulation and Safety Act (MCRSA). Lockehouse Retail Group recommends consulting an attorney regarding the purchase of the Rainmaker Cannabis Business Portfolio.

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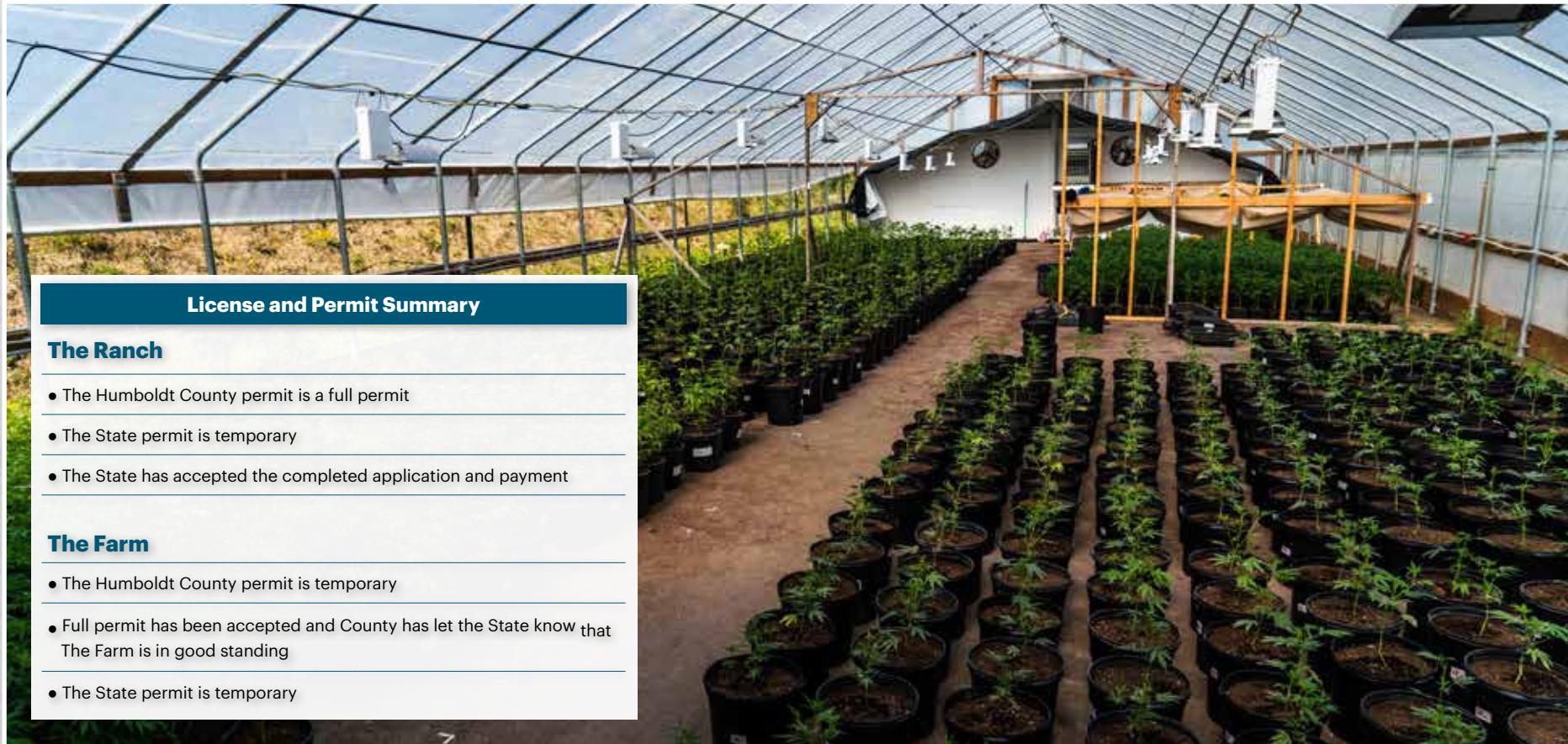
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License and Permit Summary

The Ranch

- The Humboldt County permit is a full permit
- The State permit is temporary
- The State has accepted the completed application and payment

The Farm

- The Humboldt County permit is temporary
- Full permit has been accepted and County has let the State know that The Farm is in good standing
- The State permit is temporary

Rainmaker Cannabis Business Portfolio

The Lockehouse Investment Sales Team is pleased to offer the Rainmaker Cannabis Business Portfolio, a unique cannabis opportunity in the Mattole Valley of Humboldt County. The portfolio consists of two, fully-permitted production facilities located in Petrolia, California with the capacity to produce over 7,300 lbs of cannabis annually. The opportunity includes 149 acres of land, two newly constructed, state-of-the-art glass, Nexus greenhouses, cold frame greenhouses, built-out infrastructure, abundant water, and the facilities and equipment to support and serve the business. The business has the potential by 2020 to generate over \$18 million in annual income, providing the owner with an 82% return on their investment. The two properties may be purchased as a portfolio or individually.

Executive Summary



The Ranch

Address	25725 Old Mattole Road Petrolia, CA 95558
County	Humboldt
Land Area	146 acres
Zoning	Timberland, Forest, Trees/Agricultural
Parcel Number	104-261-006, 105-021-011
Humboldt County Permits	#16-006, #16-185
Permitted Growth	20,976 SF Mixed Light
Purchase Price (Business & Land)	\$7,665,000
Land Value	\$1,460,000
Business Value	\$6,205,000
Net Income Multiplier	3.00
Price per Acre	\$10,000
EBITDA	\$4,960,792

The Farm

Address	29650 Old Mattole Road Petrolia, CA 95558
County	Humboldt
Land Area	2.95 acres
Zoning	Rural Residence/Agricultural
Parcel Number	105-081-018
Humboldt County Permit	Completed and Out for Review
Permitted Growth	8,000 SF Mixed Light
	1,679 SF Outdoor
Purchase Price (Business & Land)	\$2,005,000
Land Value	\$516,000
Business Value	\$1,489,000
Net Income Multiplier	3.00
Price per Acre	\$175,000
EBITDA	\$982,518

Location Summary



Petrolia, California in Humboldt County is home to like-minded artists, writers, and growers who choose to live and work in a safe and beautiful environment. Located approximately 50 miles south of Eureka and 200 miles west of Redding and north of Santa Rosa, the region is known for its majestic scenery, as seen in the movies Jurassic Park and After Earth. The Mattole Valley is one of the largest wilderness areas and longest stretches of undeveloped coastline in the U.S. The natural beauty of the King Range Mountains and wild coastline are home to coastal redwoods, black sand beaches, and breathtaking shoreline which makes the region and town of Petrolia a prime destination for an expanding tourism, including recreational cannabis users.

From the northwest, the approach to Petrolia takes visitors from the historic town of Ferndale, winding through the hills and valleys before dropping down to 7 miles of untouched coastline, dubbed the Lost Coast. During the summer months, the natural beauty attracts bikers, hikers, surfers and nature lovers alike. The southeastern approach is equally as stunning, leading travelers on a newly-paved road through the Humboldt Redwood Forrest. Tourists park their cars and lose themselves for hours among the grandeur of the giant trees. The Farm is located ideally in the town of Petrolia to take advantage of these growing tourism opportunities.





Location Highlights

- Mattole Valley, known as the “Napa Valley” of cannabis, has the ideal environment for cannabis cultivation.
- Abundant water and the perfect Mediterranean climate create the extremely favorable conditions to produce the highest-grade cannabis.
- Humboldt County taxation rates for established farms range from \$1 to \$2 per SF, some of the lowest in the state.
- In contrast, other counties, such as Desert Hot Springs and Salinas leveraging the “green rush”, are imposing higher tax rates, ranging from \$15 to \$25 per SF.
- Humboldt County is one of the 3 counties (Mendocino and Trinity) comprising the Emerald Triangle, the largest cannabis producing region in the United States. Cannabis is considered a way of life in the region and the community has long embraced the industry.
- The Ranch’s remote setting and limited access provide inherent security and protection for cannabis cultivation, while only 20 minutes from Petrolia and The Farm.
- The Farm’s location on the main road in Petrolia offers visibility and the potential to capitalize on growing tourism opportunities.



Investment Highlights

- Fully permitted and licensed property with Humboldt County and State.
- Well established business with experienced operator. Current owner/operator willing to stay on as consultant for hire for up to two years to ensure successful transition of operations.
- Two newly built \$1.9M fully-automated Nexus glass greenhouses allow for 5+ harvests annually. Plans for 2 additional automated greenhouses bringing the revenue potential to over \$18M annually.
- Environmental and water permits registered with full application. Completed water board review and archeological inspections.
- 1,000,000 gallon water storage pond, water wells, and seasonal (May-Oct) access to river providing abundant resources for cultivation needs.
- Newly built processing facility to support cultivation.
- Built out infrastructure including road through property providing easy mobility from facilities. Septic in place on both properties and water filtration systems.
- Upgraded electric service in process on both properties. Additional generators to supplement and as ongoing backup.
- Only a portion of the land is dedicated to cannabis production, providing a range of additional business and residential opportunities.
- Owner can apply for additional permits to expand cannabis cultivation.
- Contracts are already in place to purchase all cannabis product.
- Ability to produce highest quality cannabis and meet new July 1, 2018 laws for regulated, labeled cannabis goods.
- Existing worker housing and facilities to allow for seasonal or year-round on-site residences.
- Other opportunities to purchase additional cannabis-permitted land with greenhouses, restaurant, and homes in the area, and an urban, coastal dispensary is also available. Ability to create farm to table experience. Ask for further details.



The Ranch



The Ranch



The Ranch





Nexus Greenhouses

- The Nexus company has designed and built greenhouses since 1967 and has a reputation for uncompromising quality in their structures. Manufactured in the United States.
- Steel and aluminum structures proven to stand the test of time and weather conditions.
- Products use cutting edge technology to create the right conditions for indoor farming. Designed for climate control, energy efficiency, ventilation, and automation that give uses the most economical growing environment. High-performance, low-maintenance features designed into structure.
- Company has institutional division dedicated to research to incorporate the latest technologies in design and performance. Industry leaders in new and innovative designs.
- Efficiency features:

- **Passive ventilation eliminates mechanical equipment and electrical costs**

- **Atrium Vents** – most efficient state-of-the-art roof vent option on the market
- **Guillotine Vents** – fully open wall venting
- **Drop Curtains** - less expensive passive venting for walls and vertical roof vents

- **Shade curtains**

- **Heat Retention** – for energy savings by reducing heat loss through the roof
- **Shade** – reduces heat gain therefore reducing cooling costs during the day
- **Dual Curtains** – additional energy savings by reducing heat loss through the use of a second heat retention curtain at night. Used on cold, sunny days during growing hours to reduce heat loss.



For more, go to www.nexuscorp.com

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