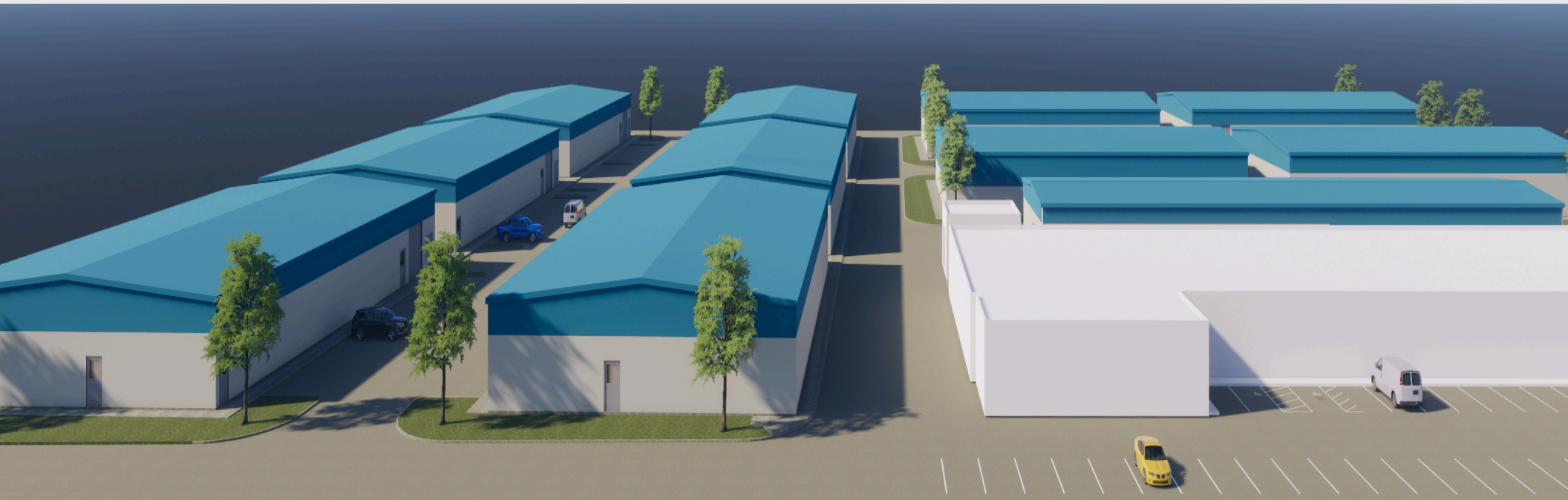


BEAVER INDUSTRIAL PARK

CANNABIS FACILITY FOR SALE, LEASE, & LEASE OPTION

Canna-Business Park

16350-16358 Beaver Road, Adelanto, CA 92301



BEAVER INDUSTRIAL PARK

Canna-Business Park, 16350-16358 Beaver Road, Adelanto, CA 92301

Private, High Security Development with 24/7 armed guard
LOW CAM FEES including security ~ \$0.20/SF

FOR SALE, LEASE & LEASE OPTION

11 MID-SIZE INDUSTRIAL BUILDINGS NEW CONSTRUCTION

- New Industrial Shell Warehouses designed for Cannabis Tenants
- 10 units- 11,700 SF & 1 unit - 10,000 SF
- Introductory Rate: \$0.90/SF
- Purchase Price: \$185/SF
- Located: Adelanto's Cannabis Opportunity Zone
- Testing, manufacturing, Cultivation

FOR SALE

LEASED INVESTMENT 11% CAP | \$130/SF

- \$5,500,000
- Renovated in 2020
- Approximately \$2MM in Tenant Improvements
- 42,355 SF Cultivation Facility
- 100% Leased
- Strong Tenant -
 - Just finished 5 year term, looking to renew
 - Paid for the \$2MM in renovations.

PROJECT OVERVIEW

11 MID-SIZE INDUSTRIAL BUILDINGS

Introductory Lease Rate \$0.90/SF & Real Estate is Offered for Sale

The Seller (Pelorus Equity Group) is offering low introductory lease rates and creative lease terms in this new cannabis business park. Designed to house 11 new buildings able to host cultivation, manufacturing, distribution and testing. Located in the low-tax, opportunity zone of Adelanto, this development is eligible for Conditional Use Permits and state cannabis business licensing. Each 11,700 SF building is prefabricated, steel construction, individually parceled, hooked up with ample power, sewage, water, built in bathrooms, storage, and fire sprinklers. The park also offers electric vehicle charging stations. While this was designed with cannabis in mind, the seller will accept all industrial/warehouse uses. Take advantage of the opportunity to own and operate your own cannabis facility without the headache of building from the ground up.



REAL ESTATE HIGHLIGHTS

11 MID-SIZE INDUSTRIAL BUILDINGS

Introductory Lease Rate \$0.90/SF & Real Estate is Offered for Sale

PROJECT IS A PALOMAR COAST DEVELOPMENT

- Gated, Secure, Cannabis Campus
- Ideal for 10,000 SF Canopy Licenses
- Low Tax Rate: \$0.415 per Square Foot
- Infrastructure:
 - 600 Amps @ 480V
 - 16-18 Inch Sewer Main
 - 15 Foot Ceilings
 - Prefabricated Steel Frame with traditional metal panel siding
 - Delivered in Shell Condition
 - Fire Sprinklers
 - Bathrooms Included
 - EV Charging Stations
- Purchase Options Available
(Buyer To Verify All)

EXAMPLE OF
CREATIVE LEASE TERMS:

Months	Months	Base Rent	Monthly Ren	Total rent	Yearly Rent
Month 1-6 (6 months)	6	\$0.90	\$10,530.00	\$63,180.00	
Month 7-12 (6 months)	6	\$1.25	\$14,625.00	\$87,750.00	Y1 = 150,930
Month 13-18 (6 months)	6	\$1.50	\$17,550.00	\$105,300.00	
Month 19-24 (Full Rent)	6	\$1.75	\$20,498.40	\$122,990.40	Y2 = 228,290
Month 25-36	12	\$2.00	\$23,400.00	\$280,800.00	Y3 = 280,800
Month 37-48 (3% bump)	12	\$2.06	\$24,102.00	\$289,224.00	Y4= 289,224
Month 49-60 (3% bump)	12	\$2.12	\$24,825.06	\$297,900.72	Y5=297,901

PROJECT OVERVIEW

LEASED INVESTMENT

16350 Beaver Road, Adelanto, CA 92301 | \$5,500,000 | \$130/SF | 11% CAP RATE

Originally 22,178 SF of usable space, this building was recently renovated with a mezzanine to expand to 42,355 SF of floor space. Approximately 22,000 SF is occupied by a long term, strong, cultivation tenant. The building is situated on its own parcel of approximately 1.7 acres in the Beaver Industrial complex. Offered at \$130/SF, this is a competitively priced investment.



INVESTMENT HIGHLIGHTS

LEASED INVESTMENT

16350 Beaver Road, Adelanto, CA 92301 | \$5,500,000 | \$130/SF | 11% CAP RATE

Building Square Footage	43,355
Annual Rent	\$607,500
Rent Increase/Yr	3%
Cap Rate	11%
Sale Price	\$5,500,000
Tenant Improvements+Capital Improvements	~\$2,000,000

Tenant Information

- Finished first term of 5 year lease
- Expected to renew additional 5 years
- Buyer may be able to negotiate terms with tenant
- Tenant paid for TIs & Capital improvements

MARKET COMPARABLES




SALES COMPARABLES

	Sales Date	Sales Price	SF	Price/SF	Cap Rate
9400 Holly Rd	2-Sep-22	11,800,000	71,246	165.62	
16585 Beaver Rd - B	18-May-22	NA	18,270	NA	
17130 Muskrat Ave - D	25-Mar-22	1,800,000	12,000	150	
17130 Muskrat Ave - C	16-Aug-21	1,966,667	12,000	163.89	14.00%
17130 Muskrat Ave - A	17-Aug-21	1,966,667	12,000	163.89	14.00%
17031 Muskrat Ave	3-Aug-21	2,900,000	10,800	268.52	
9501 Commerce Way	5-Mar-21	3,500,000	20,164	173.58	
17325-17331 Muskrat Ave, 1	28-Dec-20	4,900,000	120,000	163.74	
9509 Commerce Way	20-May-21	2,000,000	20,000	100	
10101 Yucca Rd	21-Jan-21	1,800,000	6,000	300	
17261-17283 Columbus St	6-Feb-21	4,000,000	50,500	79.21	

RATE COMPARABLES

Leased Cannabis	Lease date	Price/SF	SF	Type	Note
9332 Holly Rd	1-Jan-20	\$ 3.50	19,190	NNN	
10019 Yucca Rd	20-Nov	\$ 1.70	9,720	MG	
17235 Racoon ave	19-Nov	\$ 3.21	14,980	MG	Starting rent \$1.81
9381 Commerce Way	Feb-17	\$ 3.50	201,100	NNN	Older comp
Total AVG PPSF		\$ 3.41			
For Lease Cannabis	Listing date	Price/SF	SF	Type	Notes
10321 Columbus St.	8/12/22	\$ 1.85	25,000	NNN	Concessions offered
17335-17341 Muskrat	22-Sep	\$ 2.25	29,925	NNN	Concessions offered
10211 Rancho Rd	17-Aug-22	\$ 1.85	25,000	NNN	Concessions offered
17261-17283 Colombus St	Year +	\$ 2.95	50,500	NNN	Concessions offered
9367 Cassia Rd	2+	\$ 1.75	30,750	NNN	Low Power, Huge TI's
Total AVG PPSF		\$ 2.25			

CITY OF ADELANTO

-  Cultivation
-  Manufacturing
-  Retail

Adelanto has become known as a cannabis cultivation & manufacturing town due to the cheap land, low taxes and ease of licensing. According to the city, cannabis licenses take about 4-6 months, are prioritized over traditional licensing and taxed at \$0.415/SF. Other cities generally take about 12-24 months to license cannabis projects and tax double what Adelanto charges, if not more. For example, Los Angeles has a minimum \$2/SF for a nursery license and \$7/SF for a comparable indoor facility. This area is booming with industrial space and this particular investment offers options for cannabis operators needing a smaller footprint.



THE LANDLORD & CANNABIS INDUSTRY

PELORUS EQUITY GROUP

Specialist provider of real estate debt financing solutions

- They leverage decades of underwriting experience to provide timely financing for the cannabis industry when traditional providers are unable or unwilling to help, or their bureaucracy would result in unacceptable delays.
- They are acknowledged leaders in the financing of build-outs for the specialized real estate required by the cannabis industry – an area where our deep industry experience and proprietary data gives us a material advantage.

PALOMAR COAST DEVELOPMENT

Full service land development company

They specialize in design, entitlement, and construction services for commercial and residential real estate projects. For more than 20 years, they have designed and built outstanding projects along the West Coast. Their team of licensed professionals has expertise in real estate acquisition, architecture, engineering, and construction. From concept to reality, you can count on Palomar Coast Development to make your next real estate project a success.

CANNABIS INDUSTRY

Information of the Cannabis Market

Unlike other industries, the global cannabis market saw surprising growth during the 2020 COVID-19 pandemic jumping up 50.6% to a total of \$25.6 Billion dollar market value by the beginning of 2021. This growth is expected to slow but by no means stop. In fact, analysis by Fortune Business Insight predicts that the industry will reach a whopping \$176 Billion in value by 2030, that's a yearly CAGR (Compound Annual Growth Rate) of 23.9%. California continues to be the largest submarket in the worldwide cannabis industry with about \$5.5 Billion in taxable retail sales through the year of 2021. The state has also made numerous efforts to support cannabusinesses.

A main factor in determining these predictions is the United States market. Federal legalization is imminent and cannabis operators nationwide are doing all they can to prepare for the increase in potential consumers. A large part of that process is the acquisition of real estate that is compliant with local zoning regulations. Buildings like these are finite and will become increasingly valuable as the US market continues to grow.

Moreover, the legalization of cannabis is gaining traction in governments around the world. This momentum is mainly driven by the increasing recognition that cannabis may have a range of legitimate medical benefits and therapeutic applications. Additionally, misconceptions surrounding the dangers of the drug continue to be corrected throughout the international media. Currently, it is the most cultivated, distributed, and consumed drug on the planet.

P10



P1

11 Buildings: The owners & builders designed this cannabis business park with the smaller guy in mind. Each building is meant to house a cannabis operator who doesn't need a giant footprint while sharing some of the costs of upkeep with surrounding neighbors. Not only is efficiency in mind, but a sense of community is easily established in these small cannabis business parks. Get started in the industry or expand today, by contacting Ryan Dowse.



Leased investment: Cannabis leased investments offer a higher return than standard leased investment purchases and the opportunity here is no exception. In acquiring the Property, an investor will realize a premium return from a quality asset which is tenanted by an excellent, long term and proven cannabis cultivator. Having poured millions of dollars into value-add capital improvements and tenant improvements, the Tenant has improved the property tremendously, which sets both tenant and landlord up for future success.

