

# ISLAND MOUNTAIN HUMBOLDT EXECUTIVE SUMMARY



ISLAND MOUNTAIN HUMBOLDT, LLC

CLASS A MEMBERSHIP INTERESTS

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# THE COMPANY

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## OUR MISSION

**Island Mountain Humboldt, LLC**, an Anguilla limited liability company (the “Company”), is seeking a minimum of \$2,400,000 and up to \$5,000,000 through an offering (the “Offering”) of its Class A Membership Interests (the “Class A Units”) for the purpose of acquiring a 132-acre plot of land in Humboldt County, California and the cannabis farm and associated business operating on the land. Proceeds from the Offering will be used to acquire the land on which the farm is located comprised of three parcels as part of Palo Verde Ranch in Southern Humboldt County, California (the “Property”). In addition to acquiring the Property, proceeds will be used to acquire the associated, fully-functional, vertically-integrated, permitted and licensed cannabis farm and cultivation business operation organized as Emerald Healing Humboldt, LLC (“Emerald Healing”) along with all of its assets, goodwill, permits and licenses for the operation of the business, consisting of 23,700 sq. ft. of permitted cultivation space (collectively, the “Development”).

The Development is intended to satisfy the ever-burgeoning demand of the legalized cannabis market in the state of California, while maximizing, and expanding upon the underutilized permitted grow space already in place.





The Development is located in southern Humboldt County, about 1-1/2 miles from the famous Emerald Triangle, the point where Humboldt, Mendocino, and Trinity Counties meet. Humboldt County, considered “the Napa Valley of cannabis,” is world-renowned for its cannabis production.

The Company is offering (the “Offering”) its Class A Membership Interests (the “Class A Units”) for the purpose of investing in a cannabis farm and associated business operations in the largest legal adult-use cannabis market in the U.S. to deliver superior risk-adjusted returns with little correlation to the broader markets.

Our Manager, AgroNosotros Capital LLC is a specialty agribusiness company specializing in vertically integrated farming and distribution with current operations in Central America with plans to expand to other parts of the world. AgroNosotros currently operates single-estate specialty coffee farms in Boquete, Panama & fine flavor organic cacao farms in Southern Belize. The farming operations of AgroNosotros are vertically integrated complete with its own farms, expert agriculture teams, in-house processing and direct exporting.



## OUR VISION

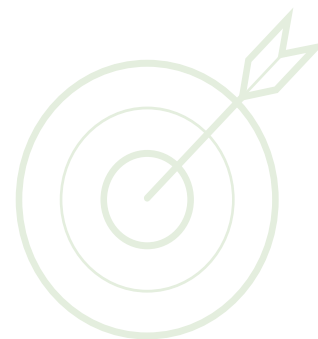
We created the Fund with the belief that all investors deserve the opportunity to climb the ladder of wealth by enjoying a consistent income stream, all backed by a hard asset. Our goal is to focus on investing in a booming agricultural segment while reducing risk.

The Fund is a private equity investment firm created to serve accredited investors, institutional as well as individuals. We're on a mission to change private equity agribusiness investing by focusing on lowering risk, providing periodic distributions and building a recession-resilient portfolio. Through our Offering, we allow investors to leverage our experience, infrastructure and processes to invest in an asset-backed investment class resistant to Wall Street volatility.

Our goal is to make opportunities that were once the exclusive terrain of the well-connected and ultra-wealthy open to all qualified investors. Through our Fund, investors will be able to enjoy the cash flow and diversification needed to grow wealth by leveraging our experience, expertise, infrastructure and processes.

## BUSINESS PURPOSE

The purpose of the Company is to raise capital through an offering of up to \$5,000,000 of the Company's Class A Units for the purpose of engaging in the cannabis business in the state of California by acquiring an existing cannabis farm and business along with the land on which the farm and business operations sit.



# INVESTMENT SUMMARY

## SUMMARY OF TERMS

<b>Investment Entity (the "Fund")</b>	Island Mountain Humboldt, LLC
<b>Investment Objective</b>	Our overriding investment strategy is to provide investors access to the benefits of investing in a high-growth, high-demand, specialty agricultural Cannabis farm operation in California, the largest legalized Cannabis market in the US.
<b>Securities Offered</b>	Class A Membership Interests
<b>Minimum Raise</b>	\$2,400,000 (towards acquisition of land)
<b>Maximum Raise</b>	\$5,000,000
<b>Term</b>	Investors should expect to commit their funds for a minimum of seven years.
<b>Price</b>	\$50,000/Unit
<b>Minimum Subscription</b>	\$100,000 (2 Units)

## Terms

- Class A Members shall collectively receive 60% of Net Cash Flow from operations on pro rata basis.
- After the seventh year of operations, the Class A Members shall receive a return equal to their initial investment capital at which time their 60% profit participation shall be converted to a 10% equity stake, allowing them to receive 10% of any future profit distributions as well as participate in any appreciation upon a sale of the Business.
- Until the Class A shareholders have received a return of 100% of their initial equity investment, their investment shall be securitized and collateralized by the Property and the farm operations themselves.

## Management

AgroNosotros Capital LLC

## Management Fees

- Deal Acquisition Fee equal to 3.5% of \$4,500,403, the total project cost less admin costs (i.e., \$5,000,000-\$499,597) ("Total Non-Admin Costs").
- Syndication Management Fee equal to 1.5% of the Total Non-Admin Costs (i.e., \$4,500,403).
- Annual Project Management Fee equal to 3.5% of the Total Non-Admin Costs (i.e., \$4,500,403).
- The Class B Members, Affiliates of Manager, shall receive 40% of annual Net Cash Flow from operations.

# INVESTMENT STRATEGY

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## THE OPPORTUNITY

AgroNosotros is a private investment firm specializing in fully integrated, vertical agribusiness farming operations. We offer qualified investors the opportunity to partner with us to create stable, long-term passive income without any correlation to the stock market or economy. The legal cannabis business is booming with projections of high growth well into the future. We seek to take advantage of this high-growth, high demand agricultural segment in the largest legalized cannabis market in the US and creating a recession-resistant, passive income for our investors.

We strongly believe in the future of “specialty” agriculture as one of the most likely asset classes to realize spectacular investment gains over the next 20 years. We have a proven track record and extensive experience owning and operating specialty agricultural farms in multiple countries and multiple crop products. With that knowledge and expertise, we have turned our attention to one of the fastest growing industries in the US, “specialty” cannabis. Our core strategy is to source and locate successfully operating, though undercapitalized, cannabis farms in the Emerald Triangle region of Northern California. We look for opportunities where the exhaustive and time consuming process of obtaining all requisite permits and approvals has already taken place, yet where there exists tremendous value-add opportunity through the infusion of additional capital.





As a successful farm operation with a 20-year history of operations, Emerald Healing checks all the boxes. It is one of the preeminent cannabis farms in all of Humboldt County (within the Emerald Triangle), and has been very successful with a proven track record. We believe that Emerald Healing's farm operations are grossly underutilized. At present, only 8,750 sq. ft. of the total permitted space of 23,700 sq. ft. is being actively cultivated. This represents only 37% usage of the total amount of Humboldt County Land Use permits applicable to the Property currently in place.

Our first order of business will be to capitalize on expansion of existing farm operations to utilize the full potential of the 23,700 sq. ft. of Humboldt County Land Use permits already in place on the Property. This represents an increase of 177% over the current amount of land currently under cultivation.



## PROJECT OVERVIEW

### Development Features

Emerald Healing Humboldt is a fully-functioning, vertically-integrated, permitted and licensed cannabis farm located on 132 acres on Palo Verde Ranch in Southern Humboldt County, California, within one mile of the famous Emerald Triangle, the point where Humboldt, Mendocino, and Trinity counties meet. This farm has a proven 1,000 lb. per year capacity, and the potential to produce much more under the existing underutilized permits already in place.

The Property and farm are operational as a cannabis farm business, one that has been developed over a period of 20 years, which first recorded legal taxable cannabis sales last year (2018) and will do so again this year (2019).

The Property consists of three (3) parcels of 40+ acres each, for a total of 132 acres. Two of the parcels have ponds with approximately 300,000 gallons water storage each, plus an additional four (4) 50,000 gallon metal storage tanks for a total of approximately 800,000 gallons of water storage.

The Property is fully permitted for cannabis cultivation at all light levels. Of the total 23,700 sq. ft. of permitted cultivation, the permits allow full outdoor light deprivation cultivation on 20,000 sq. ft. over two parcels (10,000 sq. ft. per parcel), and “mixed light” cultivation on 3,700 sq. ft. on the third parcel. The Property was among the very first farms to be fully compliant with all state and county regulatory agencies.

## PROPERTY INFRASTRUCTURE

- 1,800 sq. ft. main house (built 1980)
- 900 sq. ft. work/living space (built 2013)
- 600 sq. ft. cabin (built 1980, renovated 2015)
- 600 sq. ft. timber frame cabin (unfinished construction, fully weather proofed and finished metal roof)
- 30' x 40' metal shop building, with 30' x 30' concrete apron
- MQ45 generator (w/cement block generator shed), solar array, and four (4) Outback inverters.
- 36' x 30' building storage/workspace
- 30' x 30' newly constructed metal building on 6" concrete slab
- 50' x 30' greenhouse, with heater, power, and fans.
- 25' x 75' greenhouse, with heater, power, and fans.
- 50' x 25' greenhouse, with heater, power, and fans.
- 25' x 30' Clearspan building on concrete slab (propagation facility) w/ MQ 40 generator

## EXIT STRATEGY

After the seventh year of operations, the Class A Members shall receive a return equal to their initial investment capital at which time their 60% profit participation shall be converted to a 10% equity stake, allowing them to receive 10% of any future profit distributions as well as participate in any appreciation upon a sale of the Business.

# FINANCIAL PROJECTIONS AND STATEMENTS

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## THE POTENTIAL

The projected IRR to investors is 20.23% over 7 years, for a total ROI of 142%. Earnings are projected to be retained in year 1, to go towards further capital improvements and expansion, with investor distributions to commence in year 2. Year 2 projected cash flow to Class A shareholders is 15.35%. Projected cash flow to Class A shareholders is projected to increase to 22.8% in year 3.

## FINANCIAL STATEMENTS

Pro-Forma Financial Statements are attached hereto as Exhibit A.



## PROJECTED USE OF FUNDS

The following is a summary of the projected sources and use of the proceeds raised from the Offering.

SOURCE OF FUNDS	
Equity Raise	\$5,000,000
<b>TOTAL SOURCE OF FUNDS:</b>	<b>\$5,000,000</b>

ACQUISITION COSTS	
Land Cost (132 Acres)	\$2,340,000
Business Cost (Emerald Healing Humboldt, LLC)	\$260,000
Construction Costs (Residences)	\$80,000
FF&E (Turn-Key Furnishings)	\$15,000
Closing Costs (Est. ?)	\$4,500
<b>Total Business, Land, Construction, and Furnishings:</b>	<b>\$2,699,500</b>

PRE-FUNDED OPERATIONS	
Humboldt County Sq. ft. Cannabis Tax	\$40,432
Property Insurance (1 Year)	\$5,396
License Tax (Humboldt Tax) (1 Year)	\$1,300
Property Taxes (Humboldt County) (1 Year)	\$23,400
Maintenance Fees / Reserve (1 Year) (\$500/mo.)	\$6,000
Waterboard Renewal (1 Year)	\$2,500
State Licenses and Permits (1 Year)	\$20,000
Utilities/Fuel/Propane – 6 Months (\$35k/Year)	\$17,500
Farm Management Fee (Brooklyn Marvin) (1 Year) (\$5k/Mo.)	\$60,000
Labor: Push Part-Time (6 Months)	\$25,000
Labor: Management (6 Months)	\$70,000
Management (Health Insurance) - 1 Year	\$24,000
Labor: Regular Part-Time (6 Months)	\$32,000
Supplies: Cultivation (Fertilizer, Misc. Supplies, Soil)	\$58,375
Clones	\$30,000
Labor: Propagation (1 Year)	\$0
Expenses: Propagation	\$0
<b>Total Pre-Funded OPEX:</b>	<b>\$415,903</b>

Infrastructure/Expansion (Pre-Closing/Fall 2019)	
PG&E – Electrical	\$140,000
Internal Electrical Distribution (Est.)	\$20,000
Septic System	\$35,000
RRR Permit (20,000 sq. ft.)	\$200,000
<b>Total:</b>	<b>\$395,000</b>

Infrastructure/Expansion (Fall/Winter 2019)	
(2) Culverts	\$15,000
Grading: Permits	\$20,000
Grading: Road Project	\$40,000
Building Permits – Small Buildings	\$15,000
<b>GARDEN #1 (2849 SOUTH FACE)</b>	
(4) 30' x 100' Arch-Topped Greenhouses (Site 1)	\$225,000
(4) 30' x 100' Arch-Topped Greenhouses (Site 2, RRR)	\$225,000
<b>GARDEN #2 (2970 SOUTH FACE)</b>	
(4) 30' x 100' Arch-Topped Greenhouses (Site 1)	\$225,000
(4) 30' x 100' Arch-Topped Greenhouses (Site 2, RRR)	\$225,000
<b>Total Infrastructure/Expansion Costs (2019/2020):</b>	<b>\$990,000</b>

Fund Admin Costs	
Legal, Accounting, and Entity Setup	\$15,000
Project Management Fee (3.5%)*	\$157,514
CPA/Accounting Fees (1 Year) \$10k Set-Up + \$600/mo. x 12	\$17,200
Marketing Collateral (7XCapital)	\$10,000
Deal Acquisition Fee (3.5%)	\$157,514
Syndication Management Fee (1.5%)	\$67,506
Travel Expenses	\$25,000
Misc./Contingency Funds	\$49,863
<b>Total Fund Administrative Costs:</b>	<b>\$499,597</b>

<b>TOTAL USE OF FUNDS:</b>	<b>\$5,000,000</b>
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\* Project Management Fee (3.5%) is recurring annually, and after Y1, it is paid out of OpEx.

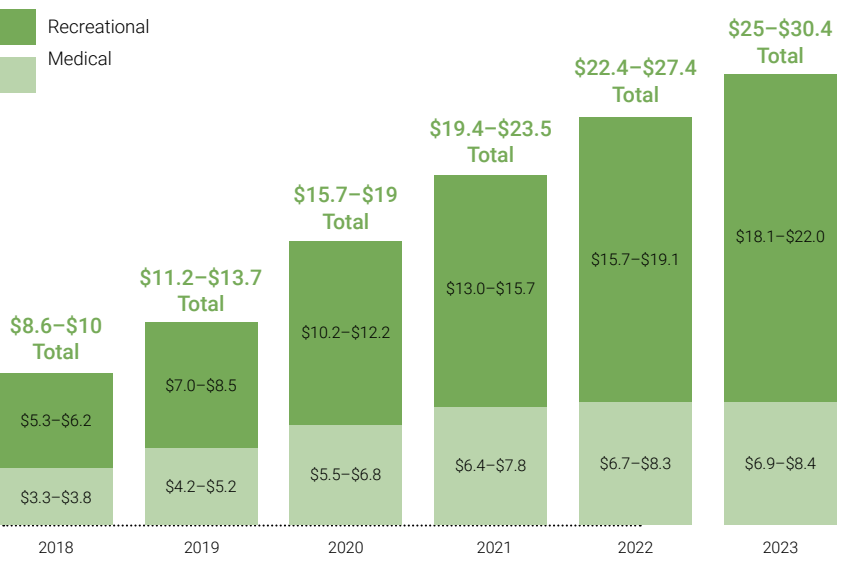
# MARKET DISCUSSION

## WHY CANNABIS?

The seventh edition in the series of the widely-cited “State of Legal Cannabis Markets” Reports, released June 20, 2019 by Arcview Research and BDS Analytics, points to abundant growth and unrealized potential in the cannabis markets. Total legal cannabis spending in regulated dispensaries in the U.S. topped \$9.8 billion in 2018, and is forecast to grow to \$30 billion in 2023, a compound annual growth rate (CAGR) of 20 percent. Marijuana was also cited as the fastest growing industry in the US job market in 2018.

## U.S. Cannabis Retail Sales Estimates: 2018–2023 (billions of U.S. Dollars)

Source: 2019 Marijuana Business Factbook



## WHY CALIFORNIA?

California is far and away the largest cannabis market in the U.S. With the passage of California Proposition 215 in 1996, California became the first US state to legalize medical marijuana, sparking a trend that had spread to a majority of states by 2016. Twenty years later, in November 2016, California voters approved the "Adult Use of Marijuana Act" (Proposition 64) making California the 5th US state to legalize the recreational use of cannabis. While the law to legalize recreational marijuana passed in 2016, it didn't go into effect until January 1, 2018.

With nearly 40 million residents and more than a million medical marijuana patients, California's market represents about a third of the entire North American cannabis market. In only its first year of legal cannabis sales, BDS Analytics reported sales of \$2.51 Billion during 2018. With only a year under its belt, California is already the leading state in the nation, by far, for cannabis sales, eclipsing No. 2 Colorado by 60 percent in 2018. BDS Analytics predicts sales will reach \$5.1 billion by 2019. Analysts at Cowen & Co. believe the nation's legal cannabis industry could reach \$50 billion by 2026, with California accounting for about \$25 billion of that market.

Despite huge sales, sales could be even higher if not for California's cumbersome bureaucracy and burdensome local licensing and permitting process, which present a formidable barrier to entry for fledgling cannabis farms and farmers. On the bright side, these same barriers present a distinct market advantage for those farms already permitted and operational. As a result, permitted land such as that found on the Property is a premium and underutilized land not taking advantage of the full permits available present a tremendous value-add opportunity as exists with the Development.





# WHY INVEST IN HUMBOLDT COUNTY AND THE EMERALD TRIANGLE?

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The Emerald Triangle is a region in Northern California, named as such due to it being the largest cannabis-producing region in the USA. The region is made up of Humboldt, Mendocino, and Trinity Counties. It is estimated that up to 60 (%) percent or more of all cannabis consumed in the United States is grown there. Growers have been cultivating cannabis plants in this region continuously since the 1960s.

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It's no secret that California produces some of the best cannabis in the world. Specifically, cannabis farmed in the northern region's Emerald Triangle, is revered as having some of the most ideal natural conditions of the planet. The area's rich soil and Mediterranean climate are to cannabis, what the geology of the Napa Valley is to wine. The morning marine layer covers the hills in a dense, plant- nourishing fog while the "terroir" adds a unique flavor to the finished herb. Just as wine connoisseurs sing the praises of Napa Valley or France's Burgundy region, many in cannabis say the Emerald Triangle's soil itself is special.

The cannabis in Humboldt County (California's first municipality to adopt a commercial land use ordinance for marijuana) is world-renowned, and cannabis farmers in the country take considerable pride in their product, so much so that Humboldt-grown marijuana even carries "proof of origin" labeling. Since August 1, 2016, Humboldt County cannabis producers have been able to officially stamp their cannabis as Humboldt-grown. Stamps on Humboldt-grown cannabis products carry a "proof of origin" sticker that includes a cannabis symbol, the county seal, and a QR code.

## WHY THIS OPPORTUNITY

### Center of the industry

Humboldt has always been at the forefront of the cannabis industry, and that is still true today. All the infrastructure is in place for the cultivator in Humboldt. The County has established one of the most progressive ordinances in the states. The best attorneys, soil scientists, compliance consultants, and other industry specific professionals are located in Humboldt County. There is a very respected and active group, the International Cannabis Farmer's Association, lobbying the California state legislature for legal appellation rights for the Humboldt name.

### Twenty Years of Evolution

The infrastructure on this property has been continually developed to support cultivation in a responsible and efficient manner and reflects on-site owners who live with and care deeply about the land and the industry. The Property is designed for vertical integration from clone to bud and has produced high yields and outstanding quality year after year.

### Full Permitting and Established Legal Structure

The property is being sold with Humboldt County Land Use Permits in place for 20,000 sq. ft. of full sun propagation, and 3,700 sq. ft. of mixed light propagation. The permits themselves are worth their weight in gold. These permits were applied for prior to January 1, 2016 (prior to finalization of the legalization process) and represent an enormous amount of energy and financial expense. The business structure is well established, and the farm has recorded legal sales in 2016, 2017, and 2018.



# WHY AGRONOSOTROS

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## SINGULAR FOCUS

Our focus is on providing investors with income and security providing an asset-backed investment providing periodic above-market profit distributions shielded from Wall Street.

## EXPERIENCE

With years of agribusiness experience, AgroNosotros is an expert in specialized agriculture.

## SAVE TIME

With our established infrastructure and processes, our experienced team does all the legwork so investors don't have to, from pre-vetting, due diligence and financing to acquisition, management and disposition.

## LEVERAGE

Our private investment fund allows like-minded investors to pool their resources to invest in a real estate portfolio for as little as \$100,000.

## INCOME

Our investors receive periodic income essential for supplementing income, building retirement funds and creating wealth.

## FUNDING

The Company is seeking up to \$5,000,000 in funding for investment in a cannabis farm. The proceeds raised from investors, pursuant to a Private Placement Memorandum (the "Memorandum") in compliance with Rule 506(c) of Regulation D of the Securities Act of 1933 will be used as described in this Executive Summary.

# MANAGEMENT TEAM

**DAVID G. SEWELL, B.SC., MBA**  
MANAGING MEMBER, FOUNDER AND CEO,  
AGRONOSOTROS S.A.

David is the Founder and CEO of the AgroNosotros Group of companies, including Peini Cacao Plantation Ltd., Belize cacao Traders Ltd., and Mahogany Chocloate, Ltd. in Belize; and International Coffee Farms and The Perfect Pair, in Panama. David and his very experienced multi-national and multi-lingual team of about 80 personnel operate seventeen (17) specialty coffee and cacao farms in Panama and Belize. Both of these “specialty agriculture” businesses are fully vertically integrated from “seed-to-bean-to-cup” (coffee) and seed-to-bean-to bar” (cacao/chocolate), respectively. David strongly believes in the future of “specialty” agriculture as one of the most likely asset classes to realize spectacular investment gains over the next 20 years.

With an extensive business background in private equity, venture capital and offshore private wealth management, David’s attention is focused on creating and operating businesses that offer real hard assets with growth potential, economic reliability with a legacy sustainable income, environmental accountability and a strong socially responsible opportunity to improve the lives of all involved.



ISLAND MOUNTAIN HUMBOLDT, LLC



**JOHN D. TURLEY, CIPS, ACP, IRES**  
MANAGING MEMBER, CEO,  
BELIZE ASSET MANAGEMENT, LLC

John is the Founder and CEO of Belize Asset Management, LLC ("BAM"), a boutique private equity firm specializing in private placement offerings in specialty real estate. The firm began with a focus on the Ambergris Caye real estate market, where John resided full-time for 14 years. John has expanded his real estate syndication efforts to areas outside of Belize, first to Costa Rica, and then to Panama. But he is particularly excited that Humboldt County, CA, the birthplace of specialty-cannabis in the USA, will be home to his first US-based private placement offering.

Additionally, John is the CEO and co-Owner of RE/MAX Caribbean and Central America (CCA) Region, with offices in 35 countries, islands and territories of the CCA Region, and well over 500 real estate brokers and agents. Under his stewardship, RE/MAX Caribbean & Central America was recognized as the RE/MAX Global Region of the Year (2016). John is also the first and only foreign national to serve on the Board of Directors for the Belize Real Estate Association (BREA), a position he has held from 2010 to 2019.



**DARREN DOYLE**  
CO-FOUNDER AND PRESIDENT,  
AGRONOSOTROS S.A.

Darren is the President of the aforementioned AgroNosotros Group of companies. Born and raised in Dublin, Ireland, Darren moved offshore at 19, and has lived offshore in dozens of countries around the world, adapting to different cultures and languages over the last two decades.

Darren has been instrumental to the growth of AgroNosotros over the last 5 years through offering outside investors the opportunity to participate alongside them as passive investors in turn-key managed specialty coffee and cacao farms in Panama and Belize. With \$15M+ raised, and over 600+ farm parcels sold to 400+ clients, Darren oversees all owner and investor relations, from maintaining healthy relationships with existing clients, to raising capital and forging client relationships with new investor/owners. From their Panama City office, Darren is actively involved in developing the channels to market and distribute their specialty coffee and fine flavor chocolate wholesale and retail products to high-end customers in Europe, Asia, and CARICOM.



ISLAND MOUNTAIN UMBOLDT, LLC





## EXHIBIT A: PRO FORMA FINANCIAL STATEMENTS

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	Year 1			Year 2 (Option 1)		Year 3 (Onward)	
<b>Summary</b>	Current Configuration - 8,750 sq.ft. Light Dep., + add 3,760 sq.ft. Mixed Light.			Add RRR Permit. New Greenhouses: 17,500 Net sq.ft. Mixed Light + 3,760 Mixed Light; 17,500 Net sq.ft. Light Dep. Requires upgraded permitting for existing 17,500 sq.ft. conversion from Light Dep. to Mixed Light.		Add RRR Permit. New Greenhouses: 17,500 Net sq.ft. Mixed Light + 3,760 Mixed Light; 17,500 Net sq.ft. Light Dep. Requires upgraded permitting for existing 17,500 sq.ft. conversion from Light Dep. to Mixed Light.	
<b>Action Plan</b>	Add 3,760 sq.ft. Mixed Light, per existing permit. Build out 20,000 sq.ft. of permitted light dep (17,500 net sq.ft.).			Add RRR Permit. Build New Greenhouses - G1, G2. Upgrade existing 20,000 Sq.ft. permit from Light Dep. to Mixed Light.		Add RRR Permit. Build New Greenhouses - G1, G2. Upgrade existing 20,000 Sq.ft. permit from Light Dep. to Mixed Light.	
	Light Dep. (1st Run)	Light Dep. (2nd Run)	(*) Add 3,760sq.ft. Mixed Light	Light Deprivation	Mixed Light	Light Deprivation	Mixed Light
<b>INCOME</b>							
Total Sq.Footage under Cultivation	8,750	17,500	3,760	17,500	21,260	17,500	21,260
(Gross) Price per Pound	\$1,300	\$1,300	\$1,300	\$1,339	\$1,339	\$1,379	\$1,379
Yield per Run (Harvest)	475	950	204	950	1,154	950	1,154
Total # of Runs (Harvest)	1	1	3	2	2	2	3
Gross Annual Yield (Pounds)	475	950	612	1,900	2,308	1,900	3,462
<b>Gross Income:</b>	<b>\$617,500</b>	<b>\$1,187,500</b>	<b>\$765,429</b>	<b>\$2,544,100</b>	<b>\$3,090,718</b>	<b>\$2,620,423</b>	<b>\$4,775,159</b>

FINANCIAL OVERVIEW (Basis Price of \$1,300/lb.)			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>INCOME</b>									
Total Sq.Footage under Cultivation			12,510 / 21,260	38,760	38,760	38,760	38,760	38,760	38,760
(Gross) Price per Pound			\$1,300	\$1,339	\$1,379	\$1,421	\$1,463	\$1,507	\$1,552
Yield per Run (Harvest)			679	2,104	2,104	2,104	2,104	2,104	2,104
Total # of Runs (Harvest)			2 / 3	2	2 / 3	2 / 3	2 / 3	2 / 3	2 / 3
Gross Annual Yield (Pounds)			2,037	4,208	5,362	5,362	5,362	5,362	5,362
<b>Gross Income:</b>			\$2,648,546	\$5,634,818	\$7,395,582	\$7,617,450	\$7,845,973	\$8,081,353	\$8,323,793
<b>OPERATING EXPENSES</b>									
<b>FIXED COSTS:</b>									
California Business Franchise Tax			\$6,000	\$11,790	\$11,790	\$11,790	\$11,790	\$11,790	\$11,790
Taxes, Humboldt County (Cannabis, License)		PreFunded	\$0	\$48,280	\$48,280	\$48,280	\$48,280	\$48,280	\$48,280
Property Taxes		PreFunded	\$0	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400
Property Insurance		PreFunded	\$0	\$7,015	\$7,015	\$7,015	\$7,015	\$7,015	\$7,015
Waterboard, Annual Renewal		PreFunded	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
California State Licenses		PreFunded	\$0	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Farm Management Fee	\$5,000	PreFunded	\$0	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Project Management Fee		PreFunded	\$0	\$157,514	\$157,514	\$157,514	\$157,514	\$157,514	\$157,514
CPA/Accounting Fees	\$1,000	PreFunded	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Consulting Fee – (Bill & Tiger)			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>VARIABLE COSTS:</b>									
Retail Excise Tax (\$148/lb.)	\$148		\$301,527	\$622,818	\$793,627	\$793,627	\$793,627	\$793,627	\$793,627
Supplies: Cultivation (Fertilizer, Misc. Supplies, Soil)		Partial PF	\$192,004	\$517,169	\$659,004	\$678,774	\$699,137	\$720,111	\$741,714
Clones (\$8/ea. in Y1/Y2, \$5/ea. in Y3-Y7)		Partial PF	\$60,162	\$186,234	\$148,318	\$148,318	\$148,318	\$148,318	\$148,318
Fuel and Propane / Utilities		1/2 PF	\$17,500	\$75,000	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551
Labor: Management		1/2 PF	\$70,000	\$140,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
Health Insurance - Management		PreFunded	\$0	\$24,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Labor: Regular Part-Time		1/2 PF	\$32,000	\$64,000	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000
Labor: Cultivation ("Push")		1/2 PF	\$25,000	\$160,000	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000
Worker's Compensation / Payroll Contributions	8%		\$20,320	\$29,120	\$50,080	\$50,080	\$50,080	\$50,080	\$50,080
Labor: Trim Cost (per lb.)	\$125		\$254,668	\$526,029	\$670,293	\$670,293	\$670,293	\$670,293	\$670,293
<b>Total Expenses:</b>			<b>\$1,029,180</b>	<b>\$2,756,869</b>	<b>\$3,495,821</b>	<b>\$3,518,591</b>	<b>\$3,542,044</b>	<b>\$3,566,201</b>	<b>\$3,591,082</b>

<b>GROSS REVENUE</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
<b>Gross Revenue:</b>	<b>\$2,648,546</b>	<b>\$5,634,818</b>	<b>\$7,395,582</b>	<b>\$7,617,450</b>	<b>\$7,845,973</b>	<b>\$8,081,353</b>	<b>\$8,323,793</b>
Cost of Goods Sold	\$1,230,055	\$2,344,370	\$3,083,322	\$3,106,092	\$3,129,545	\$3,153,702	\$3,178,583
<b>Total Expenses (Pre-Tax):</b>	<b>\$1,607,298</b>	<b>\$2,756,869</b>	<b>\$3,495,821</b>	<b>\$3,518,591</b>	<b>\$3,542,044</b>	<b>\$3,566,201</b>	<b>\$3,591,082</b>
Federal Tax (21%, Gross Rev. - COGS)	\$297,883	\$690,994	\$905,575	\$947,385	\$990,450	\$1,034,807	\$1,080,494
Net Profit (Pre-Tax)	\$743,365	\$2,186,955	\$2,994,187	\$3,151,474	\$3,313,480	\$3,480,345	\$3,652,217
California State Tax (9% of net profit)	\$66,903	\$196,826	\$269,477	\$283,633	\$298,213	\$313,231	\$328,700
Withholding Tax (30%)	\$202,939	\$597,039	\$817,413	\$860,352	\$904,580	\$950,134	\$997,055
<b>Net Income:</b>	<b>\$473,524</b>	<b>\$1,393,090</b>	<b>\$1,907,297</b>	<b>\$2,007,489</b>	<b>\$2,110,686</b>	<b>\$2,216,980</b>	<b>\$2,326,462</b>
<b>Cash-on-Hand, Year-End</b>	<b>\$1,051,641</b>	<b>\$2,444,731</b>	<b>\$3,072,454</b>	<b>\$3,180,235</b>	<b>\$3,291,250</b>	<b>\$3,405,595</b>	<b>\$3,523,370</b>

<b>CARRYOVER EXPENSES (Retained Earnings)</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Totals:</b>
1/3 of next year, Total Expenses	33%	\$918,864	\$1,165,157	\$1,172,746	\$1,180,563	\$1,188,615	\$1,196,908	\$1,215,607	
<b>Distributable Earnings:</b>		<b>\$132,776</b>	<b>\$1,279,574</b>	<b>\$1,899,708</b>	<b>\$1,999,672</b>	<b>\$2,102,635</b>	<b>\$2,208,687</b>	<b>\$2,307,762</b>	
<b>Distributions:</b>	<b>Profit Share</b>	<b>\$0</b>	<b>\$1,279,574</b>	<b>\$1,899,708</b>	<b>\$1,999,672</b>	<b>\$2,102,635</b>	<b>\$2,208,687</b>	<b>\$2,307,762</b>	
Class A Unitholders	60%	<b>\$0</b>	\$767,745	\$1,139,825	\$1,199,803	\$1,261,581	\$1,325,212	\$1,384,657	
<b>Carry-Over:</b>		<b>\$1,051,641</b>	<b>\$1,165,157</b>	<b>\$1,172,746</b>	<b>\$1,180,563</b>	<b>\$1,188,615</b>	<b>\$1,196,908</b>	<b>\$1,215,607</b>	
<b>Total Equity Raise:</b>	<b>\$5,000,000</b>								
	<b>Profit Share</b>								
Equity (Class A Shareholders)	60%	\$0	\$767,745	\$1,139,825	\$1,199,803	\$1,261,581	\$1,325,212	\$1,384,657	<b>\$7,078,823</b>
ROI (%)		0,00%	15,35%	22,80%	24,00%	25,23%	26,50%	27,69%	<b>141,58%</b>
Annualized Return:		0,00%	7,68%	12,72%	15,54%	17,48%	18,98%	20,23%	<b>20,23%</b>





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