

## ***Emerald Coast Holding Company***

### ***Investor Summary***

***April 2019***

#### **Regarding our competitive advantages and increasing our market share.**

- There are currently a small number of companies dedicated to obtaining cannabis real estate holdings in California and the western U.S. Most of this interest in California is presently focused on the southern and central areas of the state. Our focus starts in northern California, where we were raised, and where we've been intimately involved with the cannabis industry for over 20 years. We have deep roots here, and our longstanding personal and professional relationships provides our company with ongoing, exclusive access to various properties that qualify for commercial cannabis licensing.
- As we successfully predicted, now that the first wave of commercial cannabis applicants has experienced the effects of incredibly long application queues and a prolonged licensing process, many did not pursue adequate financing to achieve permanent license status and will therefore be offering their properties for sale, or will seek additional financing to stay in business. We can take advantage of this misfortune in two ways. Firstly, by gaining exclusive access to cannabis properties, as they become available for sale.
- And secondly, by offering creative financing through our Lease Back Program, to operators who wish to remain in business. The Lease Back Program essentially allows small operators to sell their property to ECHC, under a 10-year lease to own program. ECHC receives a new property asset, complete with a committed 10-year lease. The small operator receives an influx of cash from the sale, to spend on achieving their permanent license and to stay operational. At the end of the 10-year lease, they will have repurchased their property. ECHC will have made a substantial profit, because every lease project that we undertake is designed to completely pay for itself within 24-36 months of lease collection revenues. Other than the deduction of property maintenance costs, the remaining revenues from each 10-year lease represents pure profit.

- Our opportunities aren't limited to obtaining cannabis real estate in California. Due to our extensive contacts within the cannabis sector, we maintain occasional access to ideal properties in other States. For example, we currently have access to real estate in Oklahoma, Oregon and Washington that all show promise. The Oklahoma property is well suited for the development of licensed Hemp production. The Oregon property is ideal for holding onto, until the cannabis market there becomes more favorable, and then launching the development of a large-scale cannabis farming operation. And the Washington property will be a turn-key production farm with established distribution nodes, if it becomes available. The current owners are presently considering their options.
- Our current projects represent a perfect display of the real estate opportunities available to ECHC in northern California right now. **"Shasta Lake Mall project"**, when completed, represents a total leasable space of 48,000 square feet, (in the form of two 2-story buildings). We're confident that we can command \$5 per square-foot per month in lease revenues from this property, and I'm prepared to discuss Comparables in more detail at our meeting. This represents a total annual lease revenue of around \$2.88 million. If we add the installation of tenant-specific equipment to the mix, we could achieve up to \$8 - \$10 per square foot. An added benefit of this project is the potential to generate immediate revenues by selling either completed building, for around \$6 million. Coincidentally, the total estimated cost for this phase of the project is around \$6 million. **"Foster Ranch project"**, when completed, represents an initial build out for 44,000 square feet of leasable Mixed-Light greenhouse canopy. We're confident that we can command at least \$4 per square-foot per month from the combined land and greenhouse/equipment leases. This represents an annual lease revenue of around \$2.1 million. The total estimated cost for this phase of the project is around \$4.13 million. This property may qualify for a giant expansion in 2023, if Mendocino County can be persuaded to grant "Type-5" cultivation permits by then.

#### **Regarding our liquidity event.**

- We plan to launch the IPO within approximately 10-years from the date that we achieve our first capital raise. The actual date will be determined by a vote of the shareholders, based on the quarterly and annual reports provided by our board of directors, and evolving market conditions.

- We anticipate the payment of Distributions to our shareholders will begin in month-36 of operations, for each Project that we complete. As each new Project achieves 3-year operational status, our shareholder distributions will continue to increase. There is no practical limit to the number of Projects that we may undertake. Our ultimate real estate holdings are only limited by our financial ability to capitalize on any given project, and the number of properties where cannabis operations may lawfully occur in California, the United States and the World at large.
- Additionally, regarding Distributions, our C.F.O. has explained that we could offer a possible choice between a Preferred Payment option, a Straight Schedule Repayment option, or even a Revenue-based Loan option with some combination of repayment in cash and shares. Our CFO, Bookkeeper and CPA can review these options in more detail, upon request.
- Until we go public, our Shareholders may certainly utilize a broker to sell their private stock, at any time, for current market prices.
- Based on our observations for the past few years, we anticipate that each property will be re-appraised by local tax officials, soon after completing the developmental process required to qualify for commercial licensing status. This is a lower bar than needing to wait for a commercial license to be issued, as the local jurisdictions prefer to qualify parcels based on their zoning codes and municipal ordinances, regardless of any actual application status. This increases the property values, which also increases the property tax fees, so we can reasonably predict this will happen for each project. Once each property is re-appraised, we will conduct a Third-party Valuation of the company, based on any increase to our assets. As our valuations warrant it, we shall increase the value of our stock, accordingly.
- Once we go public, the company may opt to buy back some of its shares, when it's advantageous to do so.

### **Regarding our primary and secondary revenue streams.**

- Long-term, renewable leases. These lease revenues will be layered, to include both property / building leases and tenant equipment leases. In all cases, we will seek 10-year initial contracts with 3-5-year renewal options and early release penalties. They will occur under three separate conditions:

- a) Leases to our Emerald Coast family of companies. The Emerald Coast brand includes two additional companies that will seek independent funding and have no direct ties to ECHC shareholders. These companies will provide guaranteed lease revenues for some of our properties, as well as additional revenue streams (see below). The companies are Emerald Coast Nurseries and Emerald Coast Cannabis Farms Inc.
  - b) Leases to third-party tenants. Most of our leases will be provided in this category, where we screen tenants from amongst the local pool of qualified license applicants and license holders and choose the best tenants for our leases.
  - c) Leases to tenants that have sold us their properties through our Lease Back Program (see page 2).
  - d) All property and equipment leases are designed to completely pay for themselves within 24 – 36 months, representing pure profits to ECHC thereafter, minus property maintenance costs.
- Property Flips. We will occasionally purchase and develop a property as a turn-key operation, with the aim of selling it as a licensed cannabis facility to generate a significant and immediate profit. In such cases, we will consult with our Strategic Advisors and generate an independent appraisal of the property's value, including such factors as comparable cannabis industry property values, the added value of our improvements, and the estimated cannabis production values for 1-2 years, or the anticipated lease values for 2-3 years.
  - Tenant Financing. ECHC would like to team up with a Licensed Lender, to offer tenants the option of applying for private loans to finance their start-up costs and licensing goals. Our shareholders could fund a portion of the loans, in exchange for an equitable split on the interest revenues with the lender. These loans could feasibly offer high interest rates, depending on cannabis industry lending standards and the limitations of the lender's own license.
  - Tenant Revenue Split. If our attorneys and accountants determine the benefits to be much greater than the potential liabilities, we could consider adding a lease clause granting us 4.9% of tenant revenues (or whatever amount falls under any perception of management or control of tenant operations by ECHC, according to state and federal laws).

- **Strain Branding.** A secondary income stream will come from our efforts to Patent certain cannabis strains. Initial strains will be developed from within our own private stock and from within our personal network of cannabis farmers throughout the north-state area. Additional strains will be attained through a clause in our Lease Back Program, granting us access to strains that our tenants are willing to bring to the table. The first strain that we bring to the table is being offered by the seller of the Foster Ranch Project. It's a strain that was developed to thrive in the climate conditions of that property, and it will offer several production advantages for our tenant there.
- The Emerald Coast brand also includes lots of potential merchandising, educational products and professional consultation services. Our C.E.O. has offered to include his own consulting firm, Full Circle Cannabis Consultations, as an asset of the corporation ([www.fullcirclecannabis.com](http://www.fullcirclecannabis.com)). This firm provides expert witness services to the courts and produces educational products for the cannabis industry. Additionally, our officers will generate additional educational products, starting with the materials that we produce for our own internal uses. Our C.E.O. also co-owns a design company (Offbeat Mixed Media), that can create and market products containing our logos, and add them to its Amazon Sellers Account. All such products and services shall be Trademarked / Service-marked or Copywritten, on behalf of Emerald Coast Holding Company.
- **Water Rights.** Some of our properties include access to pristine ground water sources. With adequate investment in water storage infrastructure, this water can be used for cannabis farming, However, our business plans in California include the installation of wells, to alleviate our need to use ground water for our tenant's needs. These ground water sources could therefore be leveraged for other possible uses, including a water bottling plant (producing natural and cannabis-infused water products), a water trucking company, and on-site water for our residential facilities.

#### **Regarding our company optics and public relations.**

- ECHC is committed to providing living wages to all our employees and independent contractors, and to providing additional benefits packages as our income allows.
- ECHC will ensure that our employment marketing and hiring practices encourage the participation of individuals harmed by the "war on cannabis", with deference given to any qualified applicants who were previously convicted or sentenced for non-violent "marijuana crimes".

- ECHC will actively pursue all grants, programs and public/private partnerships available for our facilities to actively engage in efforts that promote water conservation, wildlife conservation, forest-fire reduction, watershed health and alternative energy production.
- ECHC commits to donating a portion of its earnings to select charities, at the end of each fiscal year. The exact % and the selection of charities shall be determined by a vote of the shareholders, based upon the recommendations of our board of directors.
- Our C.E.O. has just cofounded a 501-C-4 with a Statewide Political Action Committee (Cannabis Liberation League – California). These organizations shall work in tandem, with the C-4 having a State Chapter, able to develop Local Chapters throughout California. The primary goals of these organizations are to protect the property rights, privacy rights and medical rights of cannabis consumers and producers, to overturn local cannabis bans, and to support pro-cannabis legislation and candidates. In 2019 alone, there are currently around 45 separate bills addressing changes to California’s cannabis laws. If the shareholders are so inclined, we may opt to dedicate a portion of profits to funding these organizations, in order to gain a prominent foothold for ECHC in California’s political landscape, and to open new territories for company growth. If we help to overturn some local cannabis bans, we’ll be first in line to develop properties in those areas.

### **Concluding Remarks.**

Thank you for your consideration of investing in Emerald Coast Holding Company. Our primary skills and life experiences make us confident that we can successfully build this company into a profitable venture, because we know the ins and outs of the cannabis industry, and are in a unique position to capitalize on our knowledge of the regulatory framework, local politics and market conditions in northern California. We understand that running a successful real estate business with shareholders is a new experience for us, and we have therefore selected an exceptional group of Strategic Advisors, who are available to provide guidance and feedback to our officers, as needed. They include real estate brokers, tax experts, real estate appraisers and investment analysts. Please review our Pitch Deck to review their information, and if you would like to speak with any of them, we would be happy to make the introductions. We will be relying on their valuable input, as we fulfill our responsibilities to our shareholders and build ECHC into a real estate holding juggernaut.

We have the combined experience, skill-sets and passion to successfully launch this company, and to generate profitability for our shareholders. We have exclusive access to prime cannabis real estate, and a working knowledge of California's commercial cannabis licensing requirements. We have extensive experience with the state cannabis laws, the cannabis industry itself, and the regulatory environment in northern California. What we don't have is access to enough capital to begin operations. We're seeking relationships with angel investors and royalty-based lenders, and we're willing to pay the appropriate finders fees or commissions, where applicable. Let's combine forces and make lots of money.

Sincerely,

Jason Browne

C.E.O. and Secretary

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