

Emerald Coast Holding Company (ECHC) Frequently Asked Questions : Investors and Lenders

1. How strong is the business competition in California?

This is the first year that California has implemented its new commercial cannabis regulations, so the playing field is still wide open to secure a good market share. There are only a few similar companies operating within the state right now in Cannabis sector real estate and equipment leasing, and none of them are very established yet in our initial territory of Northern California.

Additionally, due to our strong partnerships in the real estate broker community, ECHC tends to gain exclusive access to prime cannabis properties before they're available on the market. This is the case with our current projects.

California has denied permanent licenses to many of its temporary license holders. We accurately predicted this would happen, due to the inability of so many of California's pre-existing cannabis operations to adequately fund or navigate the regulatory requirements to achieve permanent licensure. ECHC does not have this problem, because of our familiarity with state and local regulations and the costs associated with obtaining commercial licences. California's commercial cannabis real estate and equipment markets are very accessible for our shareholders to compete for a healthy market share.

2. What is the potential for return of the shareholder's investment?

ECHC is offering two classes of Common Stock. Our CFO is available to discuss stock class combinations and liquidation preferences. As a Private Placement Offering, there are a few ways that shareholders can expect to see returns.

We anticipate that each property we develop will qualify for re-appraisal, when they achieve commercial licensing. Every such re-appraisal gain shall provide an increased valuation of the stock, based on the increase in company assets.

We expect to implement stock buybacks starting by month-36 of operations, from each project. This process will be cumulative, as we continue to increase our holdings.

Our shareholders are also entitled to utilize a broker, in order to to sell their shares within the private market, at any time.

Additionally, when we make a public offering in the future, our investors may choose to hold their shares and begin to receive distributions, or they may sell their shares on the open market. In the event of a public offering, ECHC itself may buy back additional shares on behalf of the company, at determined intervals.

ECHC is also able to accept investment in the form of Royalty Based Financing (RBF), and to negotiate a healthy ROI based on the total loan values, payment moratoriums and schedules, and loan durations. Investors may choose a combination of Class-A and Class-B Common Stock and short-term loans, in order to diversify their returns.

3. How big is the market opportunity?

The current market is new and growing steadily. Our business plan includes room for constant expansion and growth, so for every property that we sell for a profit, or when the lease incomes and assets surpass initial debts, additional properties shall be acquired and developed in order to expand our holdings. There is no limit to the number of properties that we may obtain, in California or elsewhere. Our business model requires that we search for and maintain access to additional properties, for future investment opportunities.

4. How much equity share will you give the investor who invests in your company?

The number of equity shares investors receive shall be based on the number of shares they wish to purchase. We're currently offering up to 12,000,000 Class-B Shares (common stock). For a significant investment, we are open to offering up to 20% of the company's Class-A Shares as well. A majority of these are currently reserved for our exit strategy, in preparation for making a public offering at some point in the future.

5. What is your business model?

ECHC is set up like a Real Estate Investment Trust. We achieve the same results, through the relationships between our C-Corporation and our LLC's. Each property that we develop receives its own LLC, for tax and liability purposes, and the LLC's serve as property management companies. Under our model, most of the products and services generating revenues fall outside the stream of direct cannabis industry investments, with layers of separation to protect investors from financial and legal liabilities.

ECHC maintains unique and exclusive access to prime cannabis and hemp real estate opportunities, in California and throughout the USA. Our primary revenue streams are derived from long-term real estate and equipment leases, with secondary revenue streams derived from shares of tenant incomes and interest generated through tenant loans. Secondary revenue streams are available in pristine water rights, intellectual property opportunities and plant waste management & energy production.

Additionally, we have two companies vested in cultivation licensure and brand development. Emerald Coast Nurseries and Emerald Coast Cannabis Farms are expected to hold commercial cultivation licenses, and to lease space and equipment from ECHC at some of our locations. These two companies shall present additional lending and investment opportunities to our investors, for those that choose to provide direct industry capital, in exchange for even higher returns.

6. What are your plans to mitigate the risk involved?

As you'll see in our Pitch Deck, we've layered our companies in ways to minimize legal and financial risks to investors. Our Holding Company does not hold any commercial cannabis licenses and our investors have no direct investments in those licenses. Rather, the Holding Company derives most of its profits from property, building, and equipment leases.

Additionally, the Holding Company solely owns LLC's, that hold title to each property and serve as the property management company. This shields our investors from any lease related liabilities and is expected to increase investor margins if we sell any properties, because the LLC's pay far less in taxes when they sell real estate than our C-Corporation would.

Finally, the remaining two companies (Emerald Coast Cannabis Farms, and Emerald Coast Nurseries) shall hold all the legal liabilities and most of the debts, while the Holding Company holds all the tangible assets. Those two companies may seek initial start-up loans to generate additional interest revenues for the Holding Company, and we expect to offer direct investment opportunities to our shareholders once licensed cultivation has begun.

7. What are your hedging strategies, in the event something goes wrong?

Our due diligence includes having developed back-up plans for every parcel that we purchase. If commercial licenses are not obtained, or if a given property fails to generate enough revenues, or if the timetables of our financial obligations to investors requires it, a back-up plan will be initiated. These back-up plans range from selling a developed property to generate significant and immediate revenues, to capitalizing on additional land resources, such as timber harvest plans, commercial use of water or mineral rights, recreational revenues, etc.

Our primary income streams are derived from long-term renewable leases. The total value of a real estate asset will always have a comparable value for potential sale. These comparable values shall be included within our quarterly shareholder reports, as options for generating additional revenues. The suggested value shall be the value of

the real estate and improvements + the value of the cannabis license(s) + 1-2 years of anticipated revenues.

8. How much capital are you seeking for your project in total and how do you know it will scale your project?

Each of our projects have phases of capital requirements, to secure the properties, to develop them for commercial cannabis licenses, and to upgrade them in ways that increase their appraised value. Our initial Proforma provides the initial cost / benefit analysis for our first projects and serves as a template for projecting the scalability of any future projects. It will be regularly updated, and our shareholders shall receive quarterly reports, as we complete the development of each project. These quarterly reports shall include both primary and secondary revenue stream comparisons, to increase fiduciary awareness.

a) Shasta Lake Mall: Total purchase cost of \$5.5 million, with additional interior development costs of around \$500,000. Total project cost for phase-one and phase-two is around \$6 million.

Building Lease revenues alone are projected to generate around \$2.88 million per year. The revenues generated from phase-one of development at Shasta Lake Mall completely pay for the initial investment within 2.08 years of initial lease revenues. Returns on this project are projected to be at least \$2.8 million per year, starting by month-24 of operations. Phase-two of development with this project could include equipment installations that would effectively double these lease revenues.

b) Foster Ranch: Total purchase cost of \$250,000, with additional engineering and land development costs of around \$1,000,000. Construction costs for the first four all-season mixed-light greenhouses of around \$2 million. Total project cost (for phase-one) is around \$2.25 million. Additional tenant loan opportunity exists for an additional \$2 million.

Land and Equipment Lease revenues combined (for phase-one) are projected to generate over \$2,000,000 per year. Tenant loan interest would generate another \$211,000, and tenant income shares another \$340,000. Total revenues generated from phase-two of development completely pay for the initial investment within 1.8 years of initial lease revenues. Returns on this project are projected to be at least \$2.6 million per year, starting by month-36 of operations. Additional phases of development are planned, constructing more greenhouses to produce even higher returns for this project.

c) ECHC Administrative Costs: We anticipate the annual administrative budget for all ECHC operational expenses, staffing needs and professional services for year-one to be around \$641,000. This is expected to cover all operational management costs and will nominally be indexed through the property management fees charged by our LLC's, and incurred by our tenants, in order to reduce the overall costs to ECHC. Annual administrative and operating costs for ECHC will be provided to shareholders in quarterly and annual reports.

9. Are there any additional revenue streams or assets?

Yes. Potential additional revenue streams include regulatory consultation services, court services, copywritten educational materials, pristine water rights, cannabis plant waste management & energy production, patented cannabis strains, and two additional companies vested in commercial cannabis licensure.

Our C.E.O. has served as a cannabis industry consultant and expert witness to the courts for the past 20+ years, as the owner of Full Circle Cannabis Consultations (F.C.C.C.). His services include: Expertise in cultivation techniques; Aiding with commercial license applications; Filing state and federal trademarks; Developing operation manuals and employee training materials; Navigating state and local regulations; Engaging in local political consultations, and; Providing expert testimony with legal assistance to attorneys. This company shall be converted into an LLC and offered to ECHC as an additional asset.

Our C.O.O. also has 20+ years of experience with cannabis cultivation techniques, cannabis markets, and applied cultivation technologies. He aided in the development of modern light deprivation & mixed light cultivation techniques.

We're ready to copywrite educational materials for the cannabis industry, including: Proprietary Cannabis and Hemp Cultivation Guides; Operations & Compliance Manuals for Licensees, State & Federal Case Law Analysis for Attorneys, and; Instructional Materials for Licensees.

Our Projects will often include access to pristine water rights, that can be utilized to generate additional income streams.

We've investigated an additional revenue stream in the cannabis plant waste and electrical generation markets and are prepared to introduce this to our investors for further exploration.

We are prepared to Patent exclusive cannabis strains made available to us, under the umbrella of the Emerald Coast brand.

We also possess two additional companies to obtain cannabis nursery and production licenses. These companies represent significant additional revenues for our company and its investors, from indirect interest revenues and lease bonus terms, to direct investment opportunities in the cannabis sector:

- EHC shall reserve a portion of our rental spaces for them, as guaranteed tenants with long-term renewable leases.
- EHC shall earn a small portion of their profits (5%) as a term of the lease.
- EHC shall earn additional interest payments from tenant loans, through our partnership with a licensed lending agent.
- EHC shareholders have priority status to invest in Emerald Coast Nurseries & Emerald Coast Cannabis Farms. This offer extends throughout the duration of our Private Placement Offering, up to and including the first calendar month of any Public Offering.

This concludes our Frequently Asked Questions document. We hope this has provided you with answers to most of your initial questions, and we look forward to providing you with more detailed answers in person. We are available for conference calls or Skype sessions any time and can arrange for personal meetings in California or Florida, upon request.

Sincerely,

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