

INVESTMENT OPPORTUNITY

HUMBOLDT COUNTY'S LARGEST CANNABIS PRODUCTION FACILITY

WELCOME TO HUMBOLDT RESERVE

Nestled in the heart of California's legendary cannabis region, Humboldt County, this rare opportunity offers unparalleled access to one of the most iconic and sought-after cannabis locales in the world. Humboldt's reputation for premium cannabis stretches back decades, and now you can be part of the next chapter in this rich legacy. Located on a former Palco lumber mill site, this 32-acre heavy industrial zoned property is fully approved for a massive, state-of-the-art cannabis production facility, combining scale, efficiency, and a strategic advantage in the marketplace.



OFFERED BY:

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Cannabis | Real Estate | Licensing | Advocacy

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Key Highlights:

• Prime Location

Situated on a legal parcel with a compliance certificate, this site boasts over a 1/4 mile of State Highway 36 frontage and direct access to the upcoming Great Redwood Trail. The location also offers easy access to skilled labor and public utilities, with a 3.4M gallon pond and a permitted well already in place.

• Massive Indoor Cannabis Production Potential:

With approval for a 235,004 sq. ft. indoor flowering canopy, plus a 44,064 sq. ft. commercial nursery, the scale of this project is unmatched. Additionally, 7,200 sq. ft. is dedicated to distribution and processing, and 25,920 sq. ft. for drying and ancillary space, bringing total cannabis development approval to a staggering 7.15 acres.

• Phase 1 Fundraising

Humboldt Reserve is currently seeking investment for Phase 1 only, focused on the initial buildout of the facility, allowing for a staged approach to development with early revenue potential.

• Water and Energy Infrastructure:

A 20-year lease guarantees exclusive access to a 9.4MW 60kv substation. The site is pre-equipped with three-phase power (11,500 amps, 480v), ensuring energy needs are met at a fraction of the cost. Additionally, the property features an engineered rainwater catchment system capable of harvesting 14M gallons annually, paired with an approved 3.1M gallon storage pond. This self-sustaining water infrastructure provides completely free water while ensuring operations continue even during severe drought conditions.

• Humboldt County Tax Advantages:

In November 2024, Humboldt County removed its cannabis cultivation tax, which is now at \$0 annually. For prospective investors, this is a substantial cost savings compared to other California jurisdictions, enhancing your return on investment.

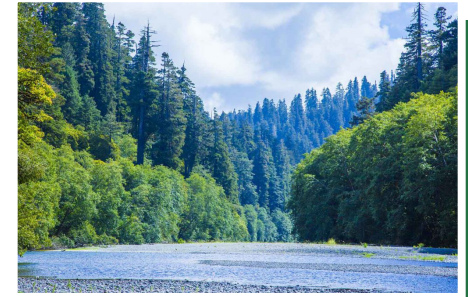
• Fully Licensed & Shovel Ready:

With full CEQA compliance, an approved IS/MND, and transferable permits, this project is ready for immediate development. Humboldt Reserve holds eligibility for an annual cultivation license, offering a secure, long-term investment free from the limitations of interim or temporary permits.

Key Highlight Details:

• Unique Market Position in Humboldt's Iconic Climate

Humboldt County is synonymous with top-tier cannabis, and this project offers the scale and infrastructure to dominate the premium indoor market. As California continues to tighten cannabis licensing and zoning, this facility represents a unique opportunity to capitalize on Humboldt's brand power. Furthermore, California law stipulates that any cannabis product wishing to bear the "Humboldt" name must be produced, packaged, and distributed from within the county, a feat which Humboldt Reserve's license array provides—securing an exclusive marketing edge in an increasingly competitive industry.



• Reduced Operating Costs

The property's Mediterranean microclimate and control of a 9.4 MW 60Kv substation ensure power costs below agricultural rates, making it ideal for a hybrid indoor production facility. While California faces ongoing drought challenges, the site's engineered 14M-gallon rainwater catchment system provides complete immunity from volatile water expenses. This unique combination of infrastructure and natural advantages translates to remarkably stable operating costs, making it feasible to produce high-quality cannabis at prices that rival mixed-light facilities.



• A Ready Platform for Federal Expansion

When federal legalization arrives, multi-state operators (MSOs) will need facilities that can scale quickly while maintaining a premium brand presence. With this project's ability to produce, package, and distribute under the prestigious Humboldt name, it provides a distinct branding and cost advantage poised for national growth.



• Final Thoughts

The Humboldt Reserve greenfield site is flat, clean, and ready for development, with no environmental contamination or restrictions. It presents an unprecedented opportunity to enter or expand in the cannabis industry at the highest level. Whether you are seeking financing or acquisition, this facility is positioned to become a cornerstone in both the Humboldt and California cannabis landscapes.



Don't miss out on the chance to invest in Humboldt's last large-scale indoor cultivation site, where decades of heritage meet modern innovation.

INVESTMENT DETAILS

Humboldt Cannabis Production Facility

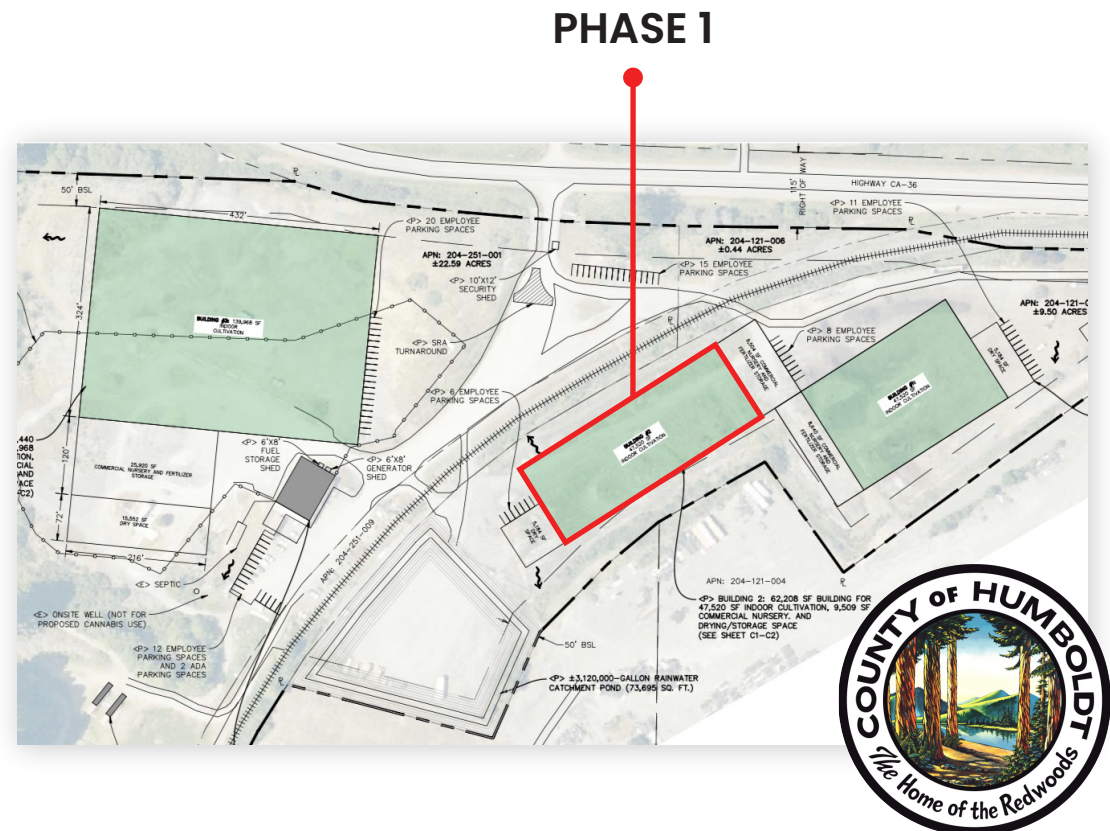
Phase 1 - \$7m or Phase 1A - \$4.5m

Overview

This analysis presents a structured payment plan for investors considering Humboldt Reserve's cannabis production facility. The investment will be repaid over four years with a 20% return on the initial capital, followed by profit-sharing starting in Year 5. The payment structure is designed to balance liquidity for operations while providing investors with substantial early returns, making the project attractive for both sides.

Key Financial Assumptions

- ✓ Wholesale price per pound of cultivated flower
\$1000
- ✓ Total production cost per pound:
\$400
- ✓ Net profit per pound:
\$600
- ✓ Phase 1 annual production capacity:
6,000 lbs
- ✓ Phase 1A annual production capacity:
3,000 lbs
- ✓ Investment + 20% repayment over 4 years
- ✓ Post-Year 4:
10% of net profits paid to investors annually from each harvest



Investment Allocation and Construction Timeline

Use of Investment Proceeds

Investment funds in Humboldt Reserve will be allocated to essential project components—**construction, site preparation, and equipment**—ensuring an efficient, high-standard facility. A portion of the investment may also be designated for **working capital** to support initial operations, positioning Humboldt Reserve for a successful launch and sustainable growth, however the partners at Humboldt Reserve have funded the projects op-ex required capital. This structured allocation maximizes investor value and drives rapid project readiness.

PHASE 1 CONSTRUCTION COST				
Segment	Description	Notes	Per Unit	Cost
Real Estate	Site Prep	Construction	\$0.80/sq	\$25,000
Real Estate	Slab	Construction	\$5/sq	\$150,000
Real Estate	Pond	Construction	\$0.70/sq	\$60,000
Real Estate	General Contractor	Construction	\$41/sq	\$1,271,350
Real Estate	Busy Bee Electric	Equip incl.	\$32/sq	\$992,000
Real Estate	Building	Materials	\$33/sq	\$1,023,000
Equipment	Enviromentals	Installed	\$67/sq	\$2,091,925
Equipment	Rolling Benches	64 unit	\$3,568.05	\$228,000
Equipment	Fans	96 unit	\$408.05	\$39,172
Equipment	Lighting	650 unit	\$884.00	\$574,600
Equipment	Irrigation	Installed	-	\$352,000
Equipment	Controls	Installed	-	\$200,000
CapEx Total				\$7,007,047

Project Status and Timeline

With **full construction approvals secured** Humboldt Reserve's facility is cleared for immediate development. Our contractor is ready to begin, ensuring swift movement on Phase 1. The estimated timeline to achieve operational status for Phase 1 is **6 months from construction start**. This clear timeline and proactive project execution plan mean investors can expect timely progress and a clear path to production capability.

Phase 1 Investment Option: \$7M

This option includes a build-out of 22,000 sq ft of indoor flowering canopy, 9,000 sq ft of nursery/vegetative canopy, and 5,000 sq ft for processing and distribution. The investment is \$7M, and the total repayment will be \$8.4M (initial investment + 20%) over four years.

Revenue and Profit Projections

- ✓ Annual production:
6,000 lbs of cultivated flower
- ✓ Annual gross revenue:
6,000 lbs x \$1,000 per lb = \$6M
- ✓ Annual production costs:
6,000 lbs x \$400 per lb = \$2.4M
- ✓ Annual net profit
(gross revenue - production costs):
\$3.6M

Investor Payback Structure

- **Total repayment over 4 years: \$8.4M**
- **Years 1 & 2 (higher payments): \$5.04M**
60% of total repayment
Year 1: **\$3M** Year 2: **\$2.04M**
- **Years 3 & 4 (lower payments)**
Remaining 40% of repayment (split over Years 3 and 4): **\$3.36M**
Year 3: **\$1.8M** Year 4: **\$1.56M**

By structuring the payments in this manner, the investor receives higher returns in the earlier years when capital demands for growth are greatest but is still paid the full amount over four years, totaling \$8.4M. This approach balances operational cash flow with significant investor returns.

Post Year-4 Profit Sharing

- Starting in Year 5, the investor will receive 10% of annual net profits, paid from each harvest.
- With an annual net profit of \$3.9M, investor would receive \$390,000 per year starting in Year 5, providing a continuing income stream beyond initial repayment.

Phase 1 A Investment Option: \$4.5M

The scaled-down version of the project includes 10,000 sq ft of indoor flowering canopy, 4,500 sq ft of nursery/vegetative canopy, and 5,000 sq ft for processing and distribution. The investment is \$4.5M, and the total repayment will be \$5.4M (initial investment + 20%) over four years.

Revenue and Profit Projections

- ✓ Annual production:
3,000 lbs of cultivated flower
- ✓ Annual gross revenue:
3,000 lbs x \$1,000 per lb = \$3M
- ✓ Annual production costs:
3,000 lbs x \$400 per lb = \$1.2M
- ✓ Annual net profit
(gross revenue - production costs):
\$1.8M

Investor Payback Structure

- **Total repayment over 4 years: \$5.4M**
- **Years 1 & 2 (higher payments): \$3.24M**
60% of total repayment
Year 1: **\$1.8M** Year 2: **\$1.44M**
- **Years 3 & 4 (lower payments)**
Remaining 40% of repayment (split over Years 3 and 4): **\$2.16M**
Year 3: **\$1.2M** Year 4: **\$960K**

This balanced repayment structure ensures that investors receive substantial early returns while maintaining adequate cash flow for the business. Over four years, the total repayment will be \$5.4M, ensuring a fair 20% return on the initial investment.

Post Year-4 Profit Sharing

- Starting in Year 5, the investor will receive 10% of annual net profits, paid from each harvest.
- With an annual net profit of \$1.95M, the investor would receive \$195,000 per year starting in Year 5, offering continuous income from the facility's operations.

COMPARISON OF PAYMENT STRUCTURES

Investment Option	Initial Investment	Total Repayment (Years 1 -4)	Year 1 Payment	Year 2 Payment	Year 3 Payment	Year 4 Payment	Year 5+ (10% Profit Share)
Phase 1	\$7M	\$8.4M	\$3M	\$2.04M	\$1.8M	\$1.56M	\$390,000
Phase 1A	\$4.5M	\$5.4M	\$1.8M	\$1.44M	\$1.2	\$960k	\$195,000

Conclusion

This structured payment plan ensures that investors recoup their initial investment plus a 20% return within four years, with higher payments in the earlier years. From Year 5 onward, investors will benefit from a steady 10% of annual net profits, providing long-term income from the facility's operations.

This investment structure aligns both parties' interests, ensuring investors are well-compensated while maintaining operational liquidity to support the business's growth and sustainability.



Investor-Specific Returns and Future Development Opportunities

Investor returns will be directly tied to the specific portion of the property that an investor funds. In this case, the returns will be generated solely from the Phase 1 or Phase 1A development in which the investor participates. Any future development on the property—such as expansions beyond the initial canopy or additional facilities—will be treated as separate projects and will not be included in the initial investment's returns.

However, investors who have contributed to Phase 1 or Phase 1A will be offered a preferred investment opportunity for future development phases of the Humboldt Reserve development. This means they will have the first option to participate in subsequent expansions under favorable terms, should they choose to reinvest. This structure provides both flexibility and security, allowing investors to focus on the performance of their specific investment while still being given priority access to future growth opportunities.



SALES & DISTRIBUTION

Humboldt Reserve Distribution Partners and Plans

Sales Channels

Humboldt Reserve plans to bring its premium cannabis products to market through a well-established network of licensed distribution channels. With 16 years of cultivation experience in Humboldt County, the company has forged strong relationships with key distributors in the California cannabis market. This longstanding presence gives them a deep understanding of the market dynamics and allows them to efficiently and compliantly deliver their high-quality products to consumers. Leveraging these connections, Humboldt Reserve will ensure their product reaches dispensaries and retailers statewide, maintaining a focus on compliance, sustainability, and the renowned Humboldt brand.

Humboldt Reserve is currently in conversations with its distribution partners who intend to have Humboldt Reserve's product in at least 50 California licensed retailers by December of 2025, and 100 retailers by year end 2026. More information will be disseminated to qualified investors who show a genuine interest in the investment opportunity presented; however the executive team's leadership is outlined in the accompanying Executive Summary and the sales team is summarized below.

Sales Team

The expertise of Humboldt Reserve's leadership team strengthens their market position. Chief Operating Officer **Jack Wheeler** brings years of experience in cannabis cultivation, having consistently produced top-tier flower that meets consumer demand.

Jack's hands-on knowledge of grow operations, combined with his strategic insight into emerging strain trends, will ensure that Humboldt Reserve continues to offer highly sought-after cannabis products. He will oversee all cultivation and processing operations, maintaining the company's strict quality control standards.

Leading the business development efforts is **Chuck Ray**, whose 25 years of sales and operations experience make him a key asset. Chuck's proven track record of exceeding revenue expectations and his ability to foster long-term relationships with strategic partners will drive Humboldt Reserve's business growth. His operational skills will support both the cultivation process and sales strategy, ensuring that production aligns with market needs.

Jeff Wheeler, VP of Sales, brings two decades of expertise in sales within regulated industries. His background in compliance, business growth strategies, and regulatory systems from the pharmaceutical and medical device sectors positions him perfectly to navigate the highly regulated cannabis industry. Jeff's experience will be pivotal in ensuring seamless sales operations, tracking, and compliance with state laws, helping Humboldt Reserve maintain its commitment to excellence as it scales its operations. Together, the leadership team's depth of experience positions the company to thrive in the competitive California cannabis market