



9928 - Lower Azusa Road
9944 El Monte, CA 91731

EL MONTE CANNABIS PORTFOLIO
Manufacturing | Extraction, Cultivation Zone



9928-9944 Lower Azusa Road
El Monte, CA 91731

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EXCLUSIVELY LISTED BY

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Location Amenities

9928-9944 Lower Azusa Road



Investment Summary

9928-9944 Lower Azusa Road

OFFERING PRICE

SUBJECT TO OFFER

COMBINED BUILDING SF

±16,243 SF

COMBINED LAND SIZE

±57,845 SF

CANNABIS ZONED MANUFACTURING

EMM2*

POPULATION (5 MILES)

545,247

HOUSEHOLDS (5 MILES)

146,987

AVERAGE HOUSEHOLD INCOME (1-MILE)

\$51,782

TRAFFIC COUNTS

±21,000 VPD

Executive Summary

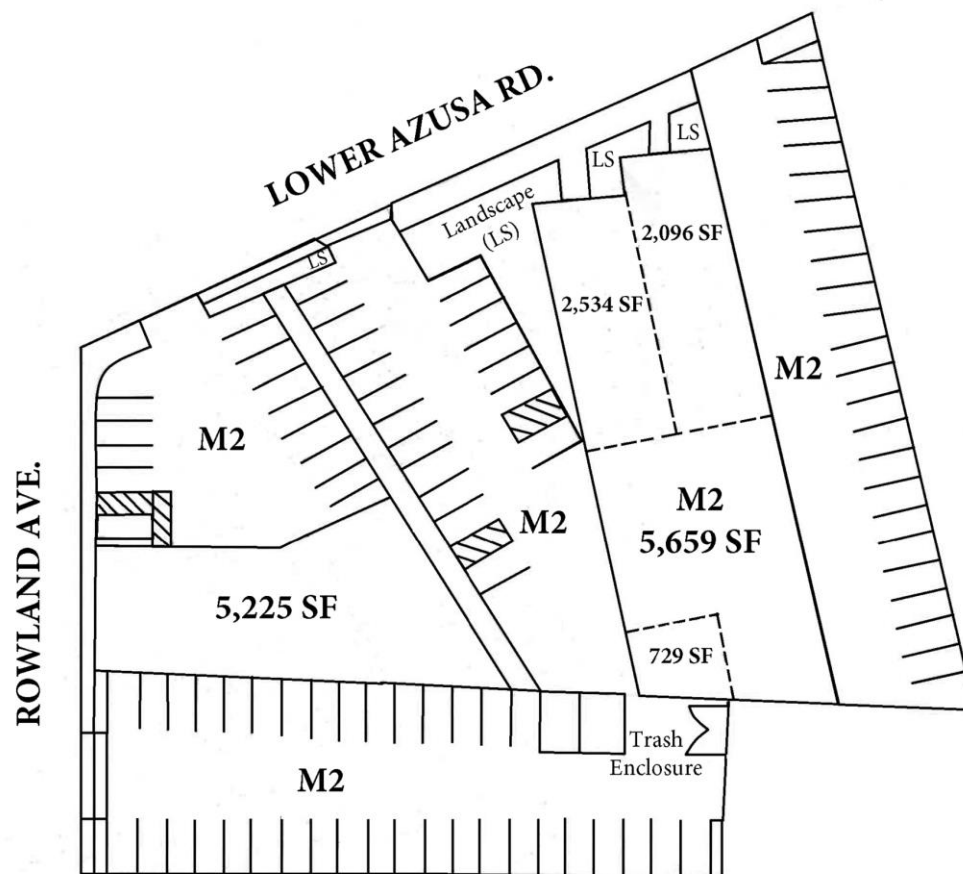
9928-9944 Lower Azusa Road

Address	9928 Lower Azusa Road	9936 Lower Azusa Road	9944 Lower Azusa Road	4536 Rowland Ave
APN	8577-002-043	8577-002-044	8577-002-045	8577-002-046
Building Size	±5,225 SF	N/A	±11,018 SF	N/A
Mezzanine	±3,000 SF	N/A	N/A	N/A
Lot Size	±12,657 SF	±8,475 SF	±24,722 SF	±11,991 SF
Zoning	EMM2*	EMM2*	EMM2*	EMM2*



Site Plan

9928-9944 Lower Azusa Road



9928 Lower Azusa Rd, El Monte: 12,657 SF Lot
9936 Lower Azusa Rd, El Monte: 8,475 SF Lot
9944 Lower Azusa Rd, El Monte: 24,722 SF Lot
4536 Rowland Ave, El Monte: 11,991 SF Lot
Total: 57,845 SF Lot

INFORMATION DEEMED RELIABLE BUT NOT GUARANTEED. NOT DRAWN TO SCALE.

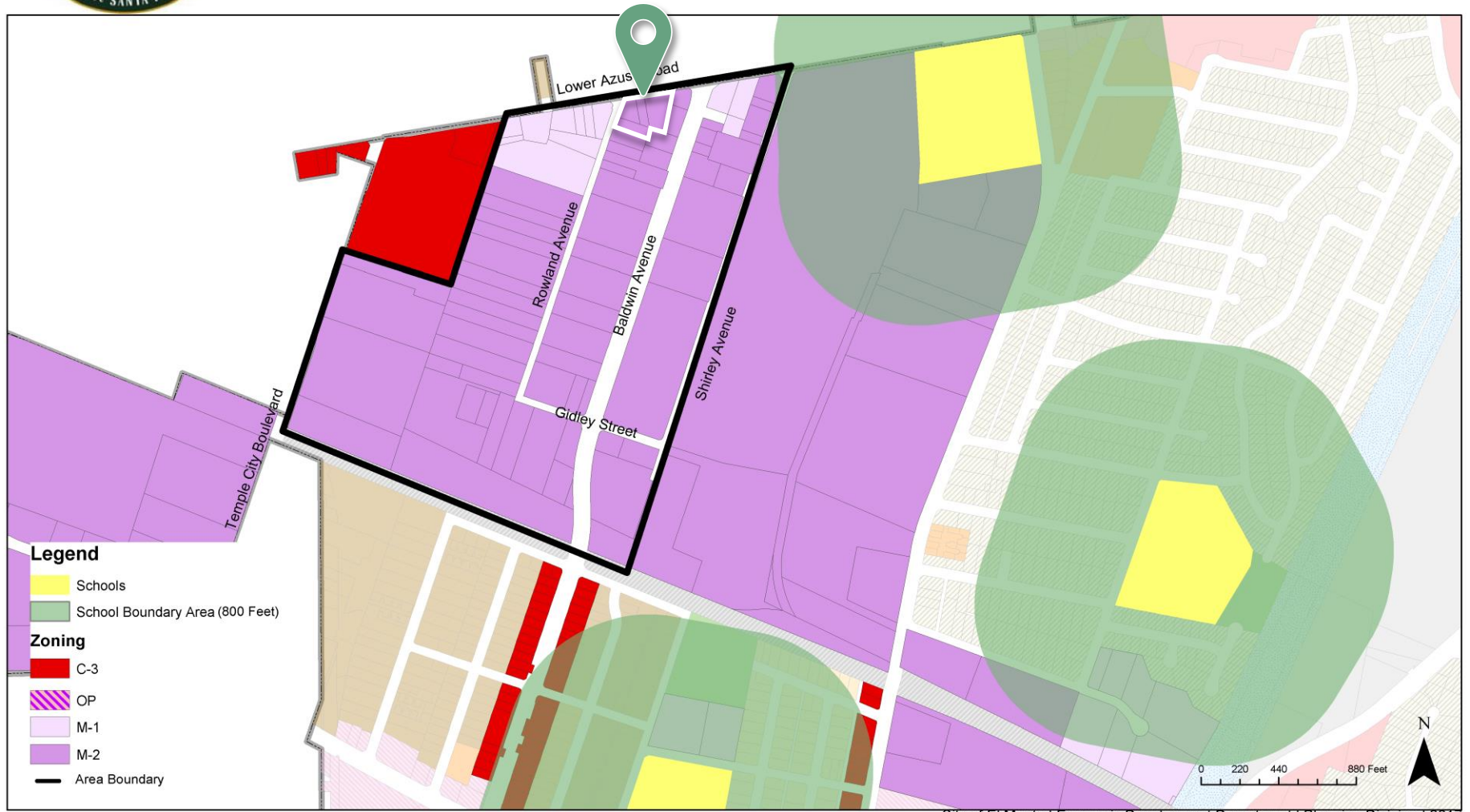
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Zoning Map

9928-9944 Lower Azusa Road



Medicinal-Only Commercial Cannabis Northwest Area



City of El Monte | Economic Development Department | Planning Division | 2017

EXHIBIT A

The Offering

9928-9944 Lower Azusa Road

9928-9944 Lower Azusa Road represents an exceptional opportunity to acquire a four parcel portfolio zoned for cannabis cultivation, manufacturing, and extracting in the city of El Monte. The asset features almost an entire block of frontage along Lower Azusa Road. The portfolio is comprised of a combined building square footage of $\pm 16,243$ and a combined lot size of $\pm 57,845$ SF.

The portfolio, per the City of El Monte (which is subject to change and to be verified by the Buyer) are zoned M2 and fall within the cannabis overlay boundary within the City. Within this boundary, medicinal only commercial cultivation, manufacturing, distribution, and testing are allowed uses pending a Conditional Use Permit and Development Agreement. The FAR ratio within the City of El Monte for M2 zones is 1:1, making this a great value add development opportunity.

- 4 Contiguous Parcels Zoned For Cannabis Cultivation, Manufacturing And Extracting
- Secured Gated Property. Video Camera Surveillance System
- Almost An Entire Block Of Frontage Along A Major Traffic Artery
- Easy Ingress And Egress To The Property Located On A Major Thoroughfare

CALIFORNIA'S CANNABIS MARKET IS EXPECTED TO SOAR TO \$5.1 BILLION — AND IT'S GOING TO BE BIGGER THAN BEER

Recreational cannabis sales began in California on January 1 — and the market is expected to haul in billions in revenue next year as dispensaries roll out across the state.

A report from the cannabis industry research firm BDS Analytics estimates sales of cannabis to hit \$3.7 billion by the end of 2018 alone, and predict that number will increase to \$5.1 billion in 2019 as more dispensaries come online. For comparison, beer sales in California hit \$5 billion in 2017, according to industry research group IBIS World. California — the world's sixth largest economy with a population of close to 40 million — will be a huge chunk of the total market for cannabis in North America. Legal marijuana sales hit \$9.7 billion across the seven states where recreational marijuana is legal, excluding California, and Canada in 2017 alone, according to BDS. That number is expected to hit \$24.5 billion in sales by 2021, despite continued federal prohibition.

On top of that, the price of pot is expected to increase up to 15% as California applies a new excise tax on recreational sales. According to Green State, the price of an eighth-ounce of marijuana — now around \$54 including tax — is approximately \$65, though local municipalities may levy different fees.

City of El Monte

MEDICINAL COMMERCIAL CANNABIS BUSINESS APPLICATION PROCEDURES REVISED JANUARY 9, 2018 ROUND ONE SUBMITTAL DEADLINE: JANUARY 31, 2018

The application to operate a Medicinal Commercial Cannabis Business ("MCCB") in the City of El Monte will be available on Wednesday, December 6, 2017. Applications will be available at the Economic Development Department, Planning Division located at City Hall and on the City's webpage at <http://www.elmonteca.gov/549/Cannabis-Guidelines>. For questions regarding the application process please review the FAQ's, on the City's webpage:

<http://www.elmonteca.gov/549/Cannabis-Guidelines>.

This outlines the application process, required materials, and other information necessary to operate a MCCB in El Monte. To be considered, final applications must be received by 4:00 PM on Wednesday, January 31, 2018 at the Economic Development Department, Planning Division located at 11333 Valley Boulevard, City Hall West, El Monte, CA, 91731. This application process is adopted pursuant to City of El Monte Municipal Code Chapter 5.18. The City has the discretion to open a second round of request for permit applications to be determined after review of Round One applications.

BEFORE YOU APPLY

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review the information regarding the medicinal commercial cannabis business permit application on the City webpage:
- <http://www.elmonteca.gov/549/Cannabis-Guidelines> which includes the following information:
 - Cannabis Business Permit Application
 - Background Information Form for Owners/Employees
 - Liability and Indemnification Certification
 - Council Reports and Presentations on Cannabis
 - Ordinance No. 2924 (EMMC Chapter 5.18)
 - Link to Local Zoning Ordinances EMMC Title 17
 - Links to State Law Resources

"Owner" means any of the following:

1. A person with an aggregate ownership interest of 20% or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
2. The chief executive officer of a nonprofit or other entity.
3. A member of the board of directors of a not-for-profit.
4. An individual who will be participating in the direction, control, or management of the person applying for the license.

Proposed Location. Your application must include the address and a detailed description of the proposed location. (Note that proof of ownership, or a notarized letter of the owner's willingness to lease will not be given any additional consideration until Phase 4). This section should also describe all sensitive uses within eight hundred (800) feet of the proposed location from the property line of a K-12 school, daycare center and youth center, and proximity to sensitive uses such as residential, parks, churches, etc. The MCCB must be in the appropriate zoning and meet all the locational requirements as described in EMMC Sections 17.24.040 and 5.18.030.

BUSINESS PLAN. With as much detail as possible, the Business Plan should describe:

- Description of day-to-day operations which meet industry best practices for the specific type of permit in which they will be applying for in the City.
- How the MCCB will conform to local and state law. See EMMC Sections 5.18.020, 5.18.040, 5.18.210, 5.18.290, 5.18.340 and Ordinance No. 2924.
- Mechanisms for ensuring that the MCCB will operate on a Not-for-Profit basis for medicinal cannabis until the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) is fully in effect or until amendments are made to Chapter 5.18.
- How products will be tracked and monitored to prevent diversion.
- A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

The Business Plan should include:

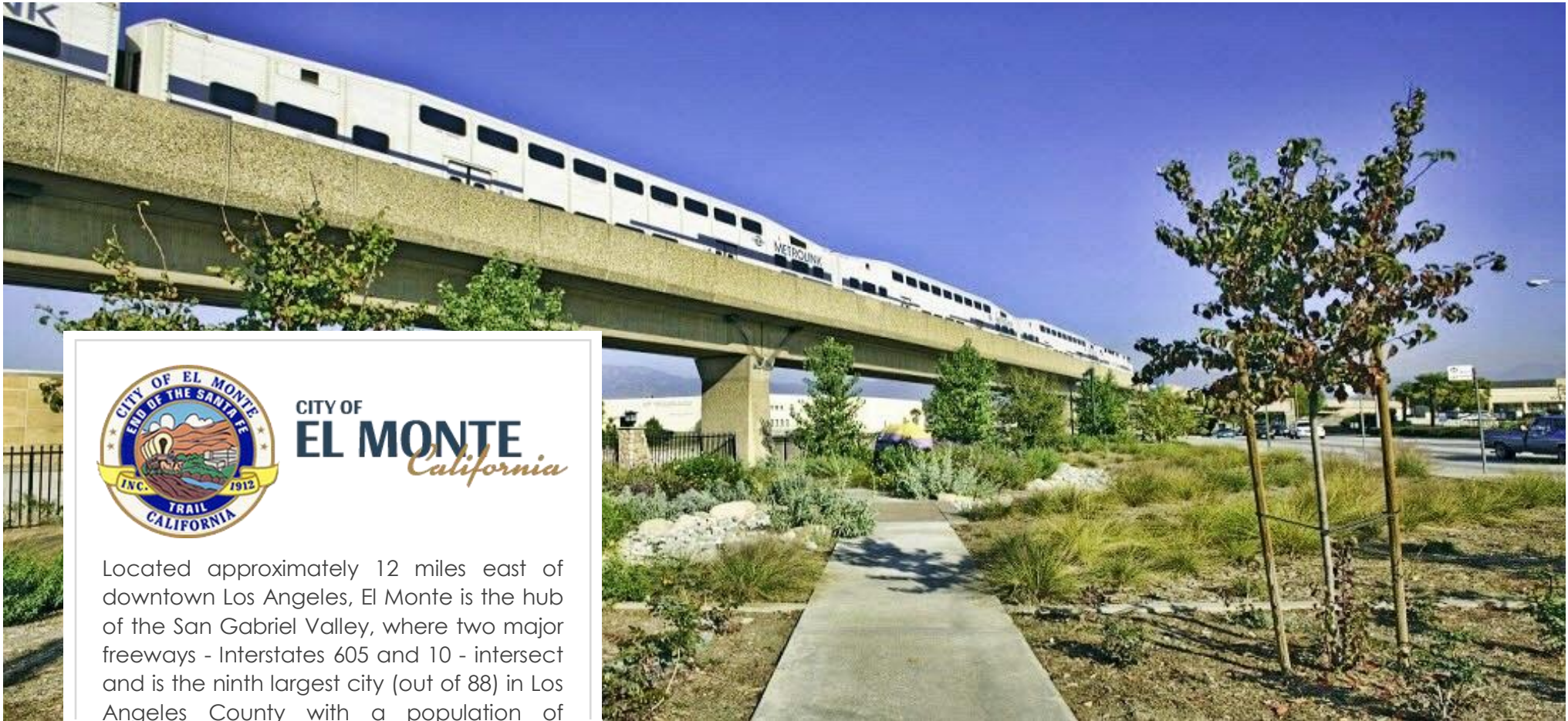
1. A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
2. A pro forma for at least three years of operation.

Neighborhood Compatibility Plan. For the proposed location, your application should address how the MCCB, including its exterior areas and surrounding public areas, will be managed, to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) should be included for each potential location.

1. A detailed safety plan. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. It shall include an assessment of the facility's fire safety by a qualified licensed fire prevention and suppression consultant. An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will
2. Have both written and physical mechanisms in place to deal with each specific situation.
3. A floor plan showing existing and proposed conditions. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4") and show all areas of operations.

Submarket Overview

9928-9944 Lower Azusa Road



**CITY OF
EL MONTE**
California

Located approximately 12 miles east of downtown Los Angeles, El Monte is the hub of the San Gabriel Valley, where two major freeways - Interstates 605 and 10 - intersect and is the ninth largest city (out of 88) in Los Angeles County with a population of approximately 120,000.

The land uses within its 10 square mile area are 58% residential, 11% retail, 10% industrial, 7% office/retail, and 14% other of amenities. El Monte also has an ethnically diverse and dynamic population with 72% Hispanic, 18% Asian, and 7% White.

As the San Gabriel Valley continues to grow so does the City of El Monte through new businesses and quality housing. Many public improvements are underway to provide an attractive and safe environment for its economic growth. El Monte has maintained a reputation for a "business friendly attitude" by attracting commercial and retail businesses as well as international corporations through its Foreign Trade Zone.

Submarket Overview

EL MONTE BUSINESS INDUSTRIES

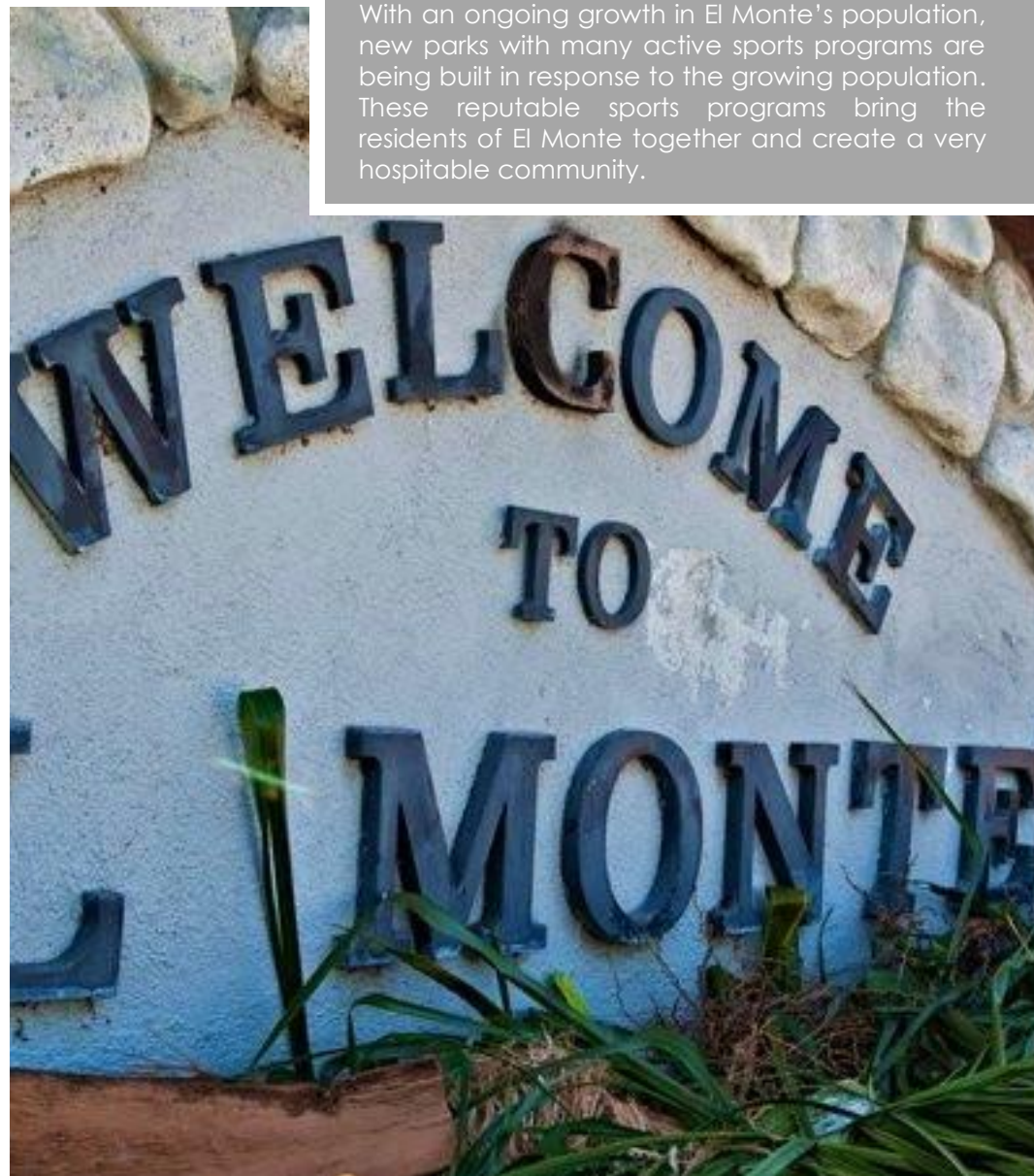
Other business tools include business financing through Grow El Monte, a pro-active Chamber of Commerce, and a Recycling Market Development Zone. Several trade and professional colleges are also located in the city, providing workforce education to support local businesses.

El Monte is also home to Longo Toyota, the number one auto dealer in the United States by sales and volume. Other major retail businesses include Home Depot, Sam's Club, and Sears Essentials. Major industries include the Von's Distribution Warehouse, Wells Fargo Operations Center, and regional offices for East West and Cathay Banks.

#	EMPLOYERS	EMPLOYEES
1	El Monte City School District	731
2	El Monte Union High School	623
3	Mountain View Elementary School District	670
4	Longo Toyota-Lexus	475
5	City of El Monte	429
6	Driftwood Dairy	300
7	El Monte Adult School	300
8	San Gabriel Transit	300
9	M.C. Gill	250



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With an ongoing growth in El Monte's population, new parks with many active sports programs are being built in response to the growing population. These reputable sports programs bring the residents of El Monte together and create a very hospitable community.



Demographics

9928-9944 Lower Azusa Road

DEMOGRAPHIC DATA		1 Mi	3 Mi	5 Mi
	Total Households	9,223	59,161	146,987
	Total Population	37,290	232,730	545,247
	Persons Per Household	4	3.9	3.7
	Average Household Income	\$51,782	\$63,756	\$68,984
	Average House Value	\$461,582	\$475,256	\$490,246
	Average Age	31.6	33.6	34.9
	Average Age Male	30.6	32.6	33.5
	Average Age Female	32.9	34.7	36.4
	Communities	El Monte Temple City	South El Monte Rosemead Arcadia	Pasadena Monrovia City of Industry Alhambra San Marino Montebello San Gabriel Rosemead

Confidentiality Agreement



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EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. KW Commercial makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. KW Commercial does not serve as a financial advisor to any party regarding any proposed transaction.

All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by KW Commercial in compliance with all applicable fair housing and equal opportunity laws.

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