



STRANGE RANCH

A RESORT AND RESIDENTIAL
DEVELOPMENT ACQUISITION OPPORTUNITY
WITH EXISTING FARM INCOME STREAM

CALAVERAS COUNTY IN THE
SIERRA NEVADA GOLD COUNTRY OF CALIFORNIA

I. OVERVIEW

Strange Ranch contains approximately 117 acres, and is located in Calaveras County in the world-famous Sierra Nevada Gold Country of California. It is owned by Terry and Erin Strange, who currently reside on the property.

While a feeling of wonderful wilderness seclusion and privacy exists throughout the property, it is within only a 2 ½ hour drive of over 14 million people in the vibrant and prosperous San Francisco Bay Area, the Sacramento-Stockton area, and the overall San Joaquin Valley. Also within this distance are Yosemite National Park, Lake Tahoe and Reno. Easy access is provided by a series of U.S. Interstate and State Highways. The closest town is the small community of Wilseyville.



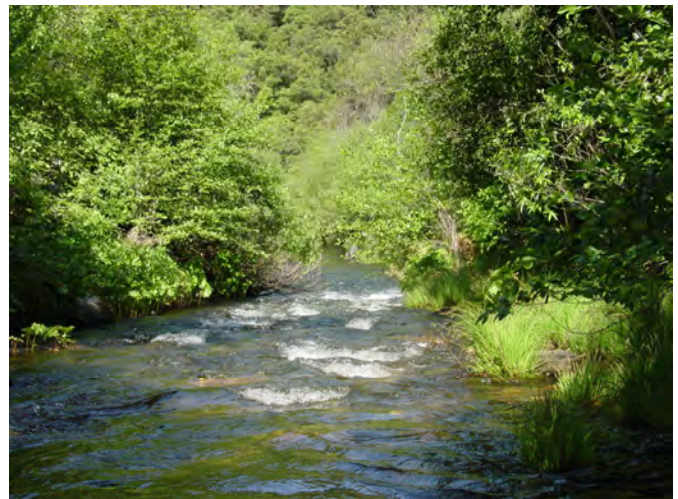
As currently planned, **Strange Ranch** will contain three components. They are summarized below, and detailed in following sections of this document. They include:

- the **Resort Component**
 - o a contemporary concept to satisfy today's active high-end vacationers who are seeking varied experiences in a beautiful wilderness setting. The property is currently supporting a commercial HipCamp operation (<https://www.hipcamp.com/en-US/land/california-strange-ranch-river-and-gold-nelh17q2?adults=1&children=0&srid=c7559216-eca6-4a17-b54b-23f44c108b2f>)

- o oriented around eco-tourism activities and education, including on-site and in the surrounding environs
- o educational and experiential activities
 - hiking, mountain biking, spelunking, fishing, gold panning
 - body and mind healing and relaxation with spa treatments, yoga, Reiki, Shinrin-yoku (forest immersion therapy), etc.
 - cannabis tasting for medicinal and other purposes (a la wine tasting)
 - educational tours of the history, ecology and attractions of the California Gold Country
 - home base for numerous outdoor-oriented activities elsewhere in the Gold Country nearby, such as downhill skiing, boating, whitewater rafting, cross-country skiing, large National Forests, Yosemite, etc.
- o a variety of unique types of 50 to 100 accommodations that could include:
 - high-end glamping
 - yurts and other tiny homes
 - mountain cabins and cottages
 - existing 3,400 square foot residence as possible main lodge
 - all privately sited with beautiful views of the river, mountains, forests and meadows



VIEW OF THE PROPERTY



SOUTH FORK OF THE MOKELUMNE RIVER

- the **Residential Component**
 - o ±60 homesites and 120 dwelling units
 - o in a private and exclusive gated community, separated from the Resort Component
 - o situated around a central clubhouse with pool and other amenities
 - o intended for both year-round and seasonal living
- the **Farm Component**
 - o two existing, fully licensed cannabis farms (both outdoor licenses)
 - o over 6,500 pounds of annual production of high quality product
 - o annual lease payments ranging from \$150,000 to \$250,000
 - o could be integrated into the educational and experiential activities of the Resort Component or eliminated over time



THE RIVER HOUSE



VIEW FROM THE RIVER HOUSE

Strange Ranch contains approximately 117 acres of beautiful forested and open space lands. Flowing through the property is more than 1/3 mile (1,855 linear feet) of **private** access to both sides of the wonderful South Fork of the Mokelumne River, as designated by the California State Lands Commission. Downstream and on both sides of the river are over 900 contiguous acres of BLM land in permanent open space. Expansive mountain, forest, meadow and river views abound throughout the property.

Currently on the property, in addition to the farm, is a wonderful 3,400 square foot residence with four bedrooms and bathrooms, referred to as the River House. A 1,020 square foot deck surrounds much of the residence, affording expansive world-class views of the adjacent oak woodlands, river canyon and mixed conifer forests.

Also existing is a 1,600 square foot three-bedroom residence referred to as the Hilltop House with newly remodeled kitchen and sun room. Adjacent to this residence is a fenced garden and fruit orchard, along with support facilities for the farm (shop, storage, two RV sites, mobile home, etc.).



THE RIVER HOUSE



THE HILLTOP FARMHOUSE

The property contains historic gold mines with quality gold panning, dredging and spelunking opportunities. A site evaluation has been completed for a potential trout pond. Forest fire protection is enhanced by the recently completed Wilseyville-Glencoe South Fork Mokelumne Watershed Restoration Project.

Approximately 55 of the 117 acres are currently designated in the Calaveras County General Plan as a Community Area. Here (the Residential Component), up to $\pm 60 \frac{1}{4}$ to $\frac{1}{2}$ acre homesites are possible, plus ± 60 "Accessory Dwelling Units" (ADUs), for a total of 120 residences. Public water and sewer are nearby. Estimated all-in costs for creating the homesites and ADUs are about \$4.9 million. It is further estimated that the average sales price of a custom home in this gated community would range from \$575,000 to \$850,000, with parcels containing ADUs being significantly higher. Improved homesites would average around \$250,000.

Strange Ranch currently contains two fully licensed cannabis farms, which have been in operation since 2016. A third license is possible. The farms could be a temporary and short-term source of income while other aspects of the Resort and Residential Components are being developed. Or, the farms could be a permanent, long-term piece of the Resort Component, as described in other sections of this document.

Current lease payments from the two farms range from \$125,000 to \$200,000 per year. They produce over 6,500 pounds of very high quality, organically grown cannabis. Over \$1.1 million has been spent on the existing turn-key infrastructure. The extensive productivity of high quality strains is allowed by a unique micro-climate of warm days and cool nights, little rain, lot of sunshine and high quality imported soils. This micro-climate is among the best in the country for growing cannabis outdoors.



AERIAL VIEW OF THE CANNABIS FARMS

The overall property is divided into three distinct parcels, as shown on a following aerial photograph and explained in accompanying text. Each has its own unique set of characteristics.

The preceding highlights of **Strange Ranch** are expanded upon in the remainder of this Information Memorandum. [An aerial tour of the 117 acres can be viewed at \(https://www.youtube.com/watch?v=ZRi0FgyB9QY \)](https://www.youtube.com/watch?v=ZRi0FgyB9QY). The property website can be viewed at <https://strange-ranch.com>

II. LOCATION

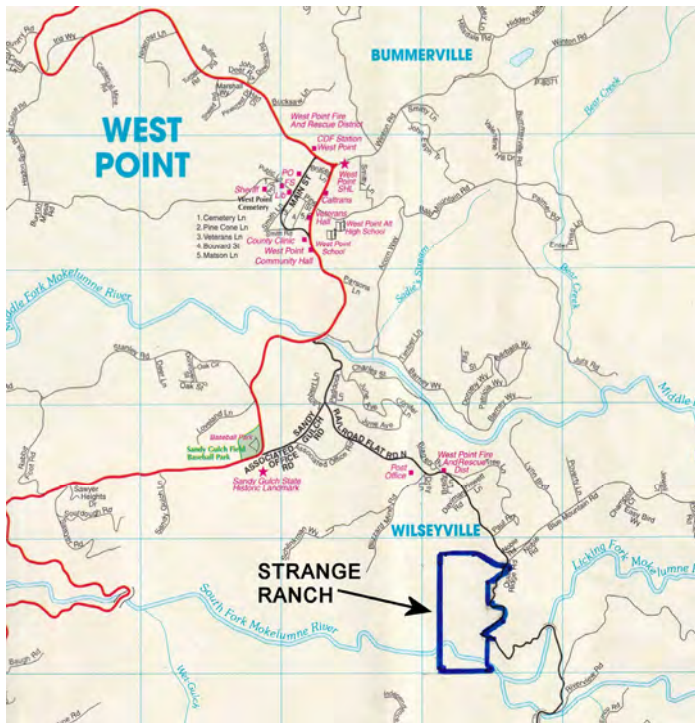
Strange Ranch is in Calaveras County in Northern California. Together with Amador County to the north and Tuolumne County to the south, the area is referred to as the Sierra Nevada Gold Country of California. Nearby historic and tourist-oriented communities are Sutter Creek, Jackson, San Andreas, Angels Camp, Columbia, Jamestown and Sonora.

The region is connected by California State Highway 49 which runs through all of the aforementioned communities. It is recognized as one of the most scenic and historic highways in the entire State. The highway is about 16 miles west of **Strange Ranch**, and connected by California State Highway 26.



The closest community to the subject property is the small town of Wilseyville (about ½ mile), with a population of a few hundred. It has limited services, with the closest convenience shopping being in West Point (about three miles). Larger nearby towns include Jackson (23 miles) and Sutter Creek (24 miles) to the northwest, and San Andreas (the County Seat at 24 miles) and Angels Camp (36 miles) to the southwest.

The year-round population of Calaveras County is less than 50,000 and the land area is about 1,000 square miles. Despite its limited population and small size, the County and the surrounding Sierra Nevada Gold Country are widely renowned due to their historical significance and abundance of year-round outdoor recreational activities, as described in a following section.



As shown on the accompanying map, **Strange Ranch** is about 70 miles east of Sacramento. It is easily accessible via California State Highways 26, 49 and 16 and U.S. Highway 50. Stockton is about 70 miles to the southwest via California State Highways 26, 49 and 88. More importantly, it is within 150 miles of the very large and prosperous San Francisco-San Jose metropolitan area. Easy access is provided via the aforementioned State Highways and a series of U.S. Interstate Highways.

Lake Tahoe is about 90 miles to the northeast, and Reno is about 130 miles in the same direction. The closest commercially served airport is in Sacramento.

III. THE THREE PARCELS

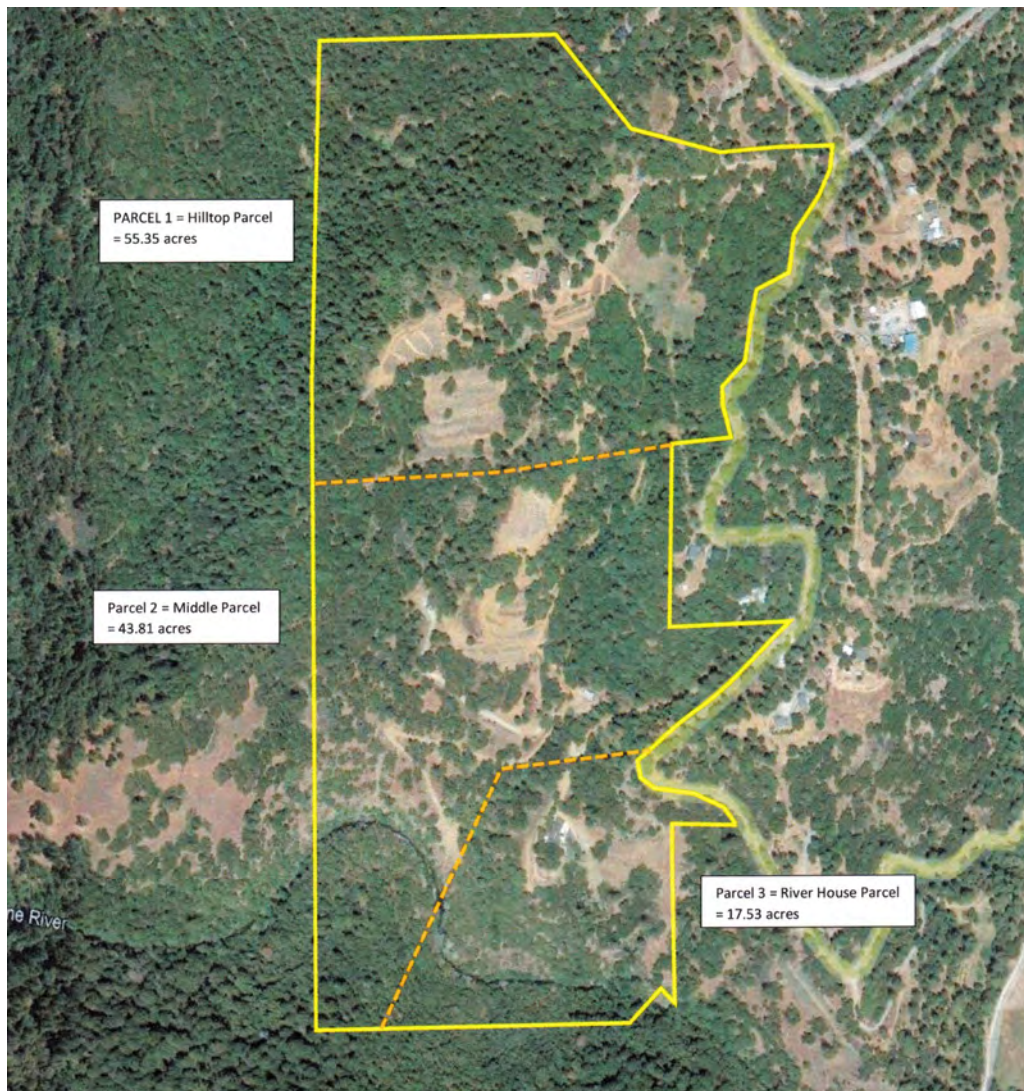
The 117-acre **Strange Ranch** is divided into three distinct, but contiguous Parcels. They are shown on the following aerial photograph of the overall property. The three Parcels include:

- o **Parcel 1** with 55.34 acres. It also sometimes is referred to as the Hilltop Parcel or Upper Parcel. It contains:
 - a 1,600 square foot single family residence referred to as the Hilltop House. The house was built in the 1950's, and has been upgraded several times since. It contains three-bedrooms and two bathrooms, with a fenced garden and fruit orchard. This space also could be converted to a vineyard.

POTENTIAL 3-ACRE VINEYARD
ON PARCEL 1



- suitable space for ± 60 family homesites, plus ± 60 ADUs, on approximately 55 acres that are designated in the Calaveras County General Plan as the Wilseyville Community Area (detailed in a following section). This is the so-called Residential Component.
- two RV sites with electric, water and sewer hookups and one current mobile home rental. Septic system and water and electric piping are in place for two additional RV sites.
- a three-acre site for a vineyard, gardens and/or fruit orchard, or large animal pasture.
- a one-acre commercial outdoor cannabis garden and license (detailed in a following section). The Hilltop House, a 1,000 square foot shop/garage and several adjacent ancillary buildings are currently used as part of the farm operations.



o **Parcel 2** with 43.69 acres. It also sometimes is referred to as the Middle Parcel. It contains a currently operating Hipcamp:

- approximately 685 linear feet of private access to both sides of the South Fork of the Mokelumne River

- beautiful sites for glamping and/or other forms of eco-tourism/cannabis-tasting lodging (detailed in a following section, and the so-called Resort Component)

- two gold mines and remnants of a stamp mill

- a 3/4 - acre outdoor cannabis garden and license (detailed in a following section)

- a new 3,400 square foot multi-use metal building

o **Parcel 3** with 17.53 acres. It also sometimes is referred to as the River House Parcel or Lower Parcel. It contains:

- a beautiful single-family residence with 3,600 square feet that is referred to as the River House (detailed in a following section)

- approximately 1,170 linear feet of private access to both sides of the South Fork of the Mokelumne River
- upstream from adjacent approximately 1,100 acres of BLM land in permanent open space preservation
- beautiful sites for glamping and/or eco-tourism and medical cannabis education, tasting and lodging (detailed in a following section, and the so-called Resort Component)
- a third gold mine
- partially completed road access to upper river section
- 19KW rooftop solar array and 20KW back-up propane generator.



PARCEL 1



SOUTH FORK OF THE MOKELUMNE RIVER ON PARCEL 3



SOUTH FORK OF THE MOKELUMNE RIVER
ON PARCEL 2

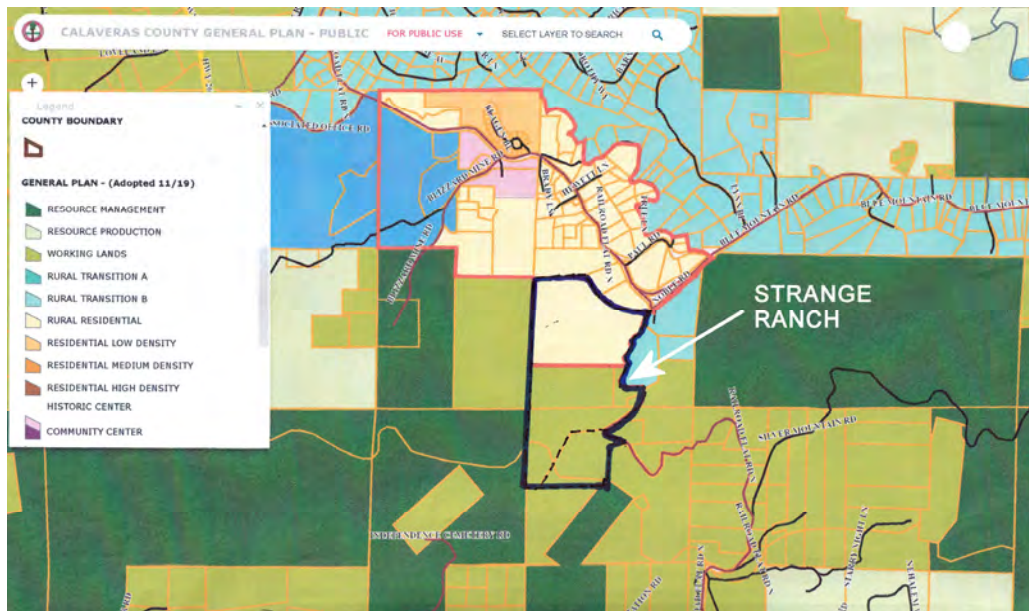


SOUTH FORK OF THE MOKELUMNE RIVER
ON PARCEL 3

IV. THE PLANNED RESIDENTIAL COMPONENT ON PARCEL 1

All of the 55.35 acre Parcel 1 is located within the Wilseyville Community Area in the Calaveras County General Plan. This would be the location of the Residential Component. Higher density residential development is encouraged in Community Areas. This will greatly facilitate the final approval process for any planned residential development, both in terms of time and money.

Community Area classification allows for up to 20 units per acre. Some of the 55 acres are too steep to cost-effectively develop into such size homesites, so the present plan is only for up to ± 60 homesites, plus ADUs, for a total of 120 dwellings. It also is possible that the Residential Component could be eliminated and that the entire 117 acres could be used as a larger Resort Component.



The ±60 homesites and additional ADUs are located above the one-acre cannabis farm on Parcel 1. Homes would be situated so as not to look down on the cannabis and the Resort Component, but rather to the surrounding mountains and forest. Most homesites would be sited in the upper left-hand section in the preceding aerial view of Parcel 1 and overall **Strange Ranch**.

Ingress/egress access to the homesites would be from Railroad Flat Road. Such access currently is not available, but should be easily attained by improvements to approximately 220 feet of a County road, purchasing one of several properties situated between the road and the homesites, or simply acquiring a right-of-way through an adjacent parcel. Such access is practically guaranteed. A commercial encroachment to the property from Railroad Flat Road is currently under construction.

Public water will be provided by the Calaveras County Water District, as will wastewater service. Letters acknowledging approval of such services were submitted by the District in 2006 and 2007, and are available upon request. Final approvals should be automatic due to the County's and District's desire for additional taxes and hookups.

Water service is available along Railroad Flat Road to within a hundreds of feet of the property, meaning that extension costs will be nominal.

Electricity is available throughout **Strange Ranch** from PG&E. A series of unpaved roads exist. Near the homesites are a planned three-acre vineyard, gardens and/or fruit orchard. Land for the homesites is very attractive. It is heavily treed, and offers either mountain and/or forest views.



PARCEL 1

Demand for single family homesites in rural, scenic and easily accessible areas, such as **Strange Ranch**, has been significantly increasing in recent years throughout the country. This is due to Covid, the growing popularity of telecommuting and a desire to escape urban disamenities. Such demand is being realized in Calaveras County as well as elsewhere in the Gold Country. It is suspected that 60 homesites at **Strange Ranch** would be absorbed very quickly by the aforementioned telecommuters, seasonal occupants of vacation homes or retirees. This is especially evident due to the cost of housing in the San Francisco Bay Area, which would be a primary target for the homesites.

Estimated costs for creating the ± 60 homesites are \$4.8 million, or \$80,000 per homesite. This includes paved roads, water, sewer, electricity and a clubhouse/pool/amenity complex. Estimated average sales prices are about \$250,000 per homesite. Prices for a turnkey home are expected to range from \$575,000 to \$850,000.

V. THE PLANNED RESORT COMPONENT ON PARCELS 2 AND 3

A wide variety of resort and hospitality opportunities exist at **Strange Ranch**, and would comprise the future Resort Component. The following section contains a preliminary site plan and descriptive text for one possible scenario. As previously noted, the Residential Component could be eliminated, and the entire 117 acres could be used as the Resort Component. Possible resort-type uses could include:

- o **glamping.** A possibility exists for placing glamping (i.e., high-end camping) sites on strategic and scenic locations in Parcels 2 and 3. All would have wonderful sounds and views of the South Fork of the Mokelumne River and hiking in the adjacent heavily forested BLM lands.



- o **eco-tourism and cannabis farm tours, education, tasting and related lodging facilities.** Various other types of hospitality accommodations could be created in attached or detached facilities, such as yurts, cottages, uniquely designed tiny homes, mountain cabins, etc. Some perhaps could be in the River House itself. Again, all would have wonderful views of the river and BLM lands. Clientele would be offered the opportunity to experience and enjoy the large number of ecological/ outdoor recreation activities found on-site throughout the 117 acres as well as within easy driving distance in the surrounding environs (as described in the next section).

Clientele could experience custom farm tours and high-level personalized medical cannabis education sessions. They could be offered tasting with a wide variety of cannabis strains and product forms to determine their most beneficial and preferred therapy. This concept is analogous to wine tasting facilities that have become so popular in recent years. The lodging facilities also could contain yoga, massage and Reiki and Shinrin-yoku (forest immersion therapy) services. A recent article in *Forbes* states that cannabis tourism ("canna-cations") is now a \$17 billion industry, and growing rapidly.

- o **wedding and other event venues.** There are several special settings in Parcels 2 and 3 that have beautiful backdrop views of the South Fork Mokelumne River and the BLM forests. They are ideally suited for outdoor wedding and other event venues.



The preceding resort-type uses would require applying for entitlements through Calaveras County. Such approval is not guaranteed, but highly likely due to the County's desire to enhance its economic base from TOT taxes and other sources of income. Except for the probable ± 60 homesites in Parcel 1, it is unlikely that other for-sale real estate products would be allowed on Parcels 2 and 3 – only overnight, transient occupancy. This is because the two Parcels are designated as "Rural Agriculture" in the Calaveras County General Plan, thereby allowing one main home and one accessory dwelling unit (ADU) per parcel, as shown on the accompanying map.

- o **Blue Mountain Reserve.** This is a concept created by the seller in 2006. At that time, it was preliminarily approved by a local citizens advisory group, but never formally presented to public officials. The owner summarizes the concept in the following quote, which is part of a larger detailed document. Said document is available upon request.

The goal of the development project [Blue Mountain Reserve] is to serve as a model for unique small eco-friendly community supported residential developments in the Sierras. The project intends to be a Certified LEED and Green development. The project will provide significant amenities to the local community. Such amenities include the development of a



POTENTIAL WEDDING VENUE BACKDROP AT
STRANGE RANCH

perpetual funding mechanism to support Wilseyville and local community socio-economic improvement grants; support for nearby affordable housing; improve the economic, ecological, and recreational characteristics of the area; support commercial redevelopment for Wilseyville; provide local agricultural support; develop recreational trails connecting the project to the Wilseyville Commercial Area and Sandy Gulch Regional Park; and improve local living standards while creating a sense of place. Homes will be developed on approximately 0.5-acre parcels along the northern portion of the property with building envelopes of up to 4,000 ft² located within the mature woodlands.

The owner completed the following tasks in 2006-2007 for Blue Mountain Reserve. The studies would require updating, but little has changed in the local political and natural environment in the past 15 years.

- o Initial Biological Resources Inventory
- o Cultural Resources Survey
- o Oak and Timberland Canopy Study
- o Optional Oak Tree Survey
- o Oak Woodland Mitigation Plan
- o Initial Tentative Parcel Design and Placement Study
- o Completion of CEQA Level Initial Study
- o Initial road layout
- o Calaveras County Water District Municipal Water Availability Analysis and Wastewater Capacity Analysis, with preliminary Letters of Approval
- o Economic Appraisal by Detailed Analysis in Foster City, California



GOLD MINE ENTRANCE ON PARCEL 2

The Blue Mountain Reserve concept would be applied to Parcel 1 with its close proximity to public water and sewer. As previously noted, the designated area is already classified for higher density residential development in the Calaveras County General Plan.

As noted, a more detailed description of the contemporary and innovative Resort Component is available upon request.

VI. SOME PRELIMINARY DEVELOPMENT PLANS

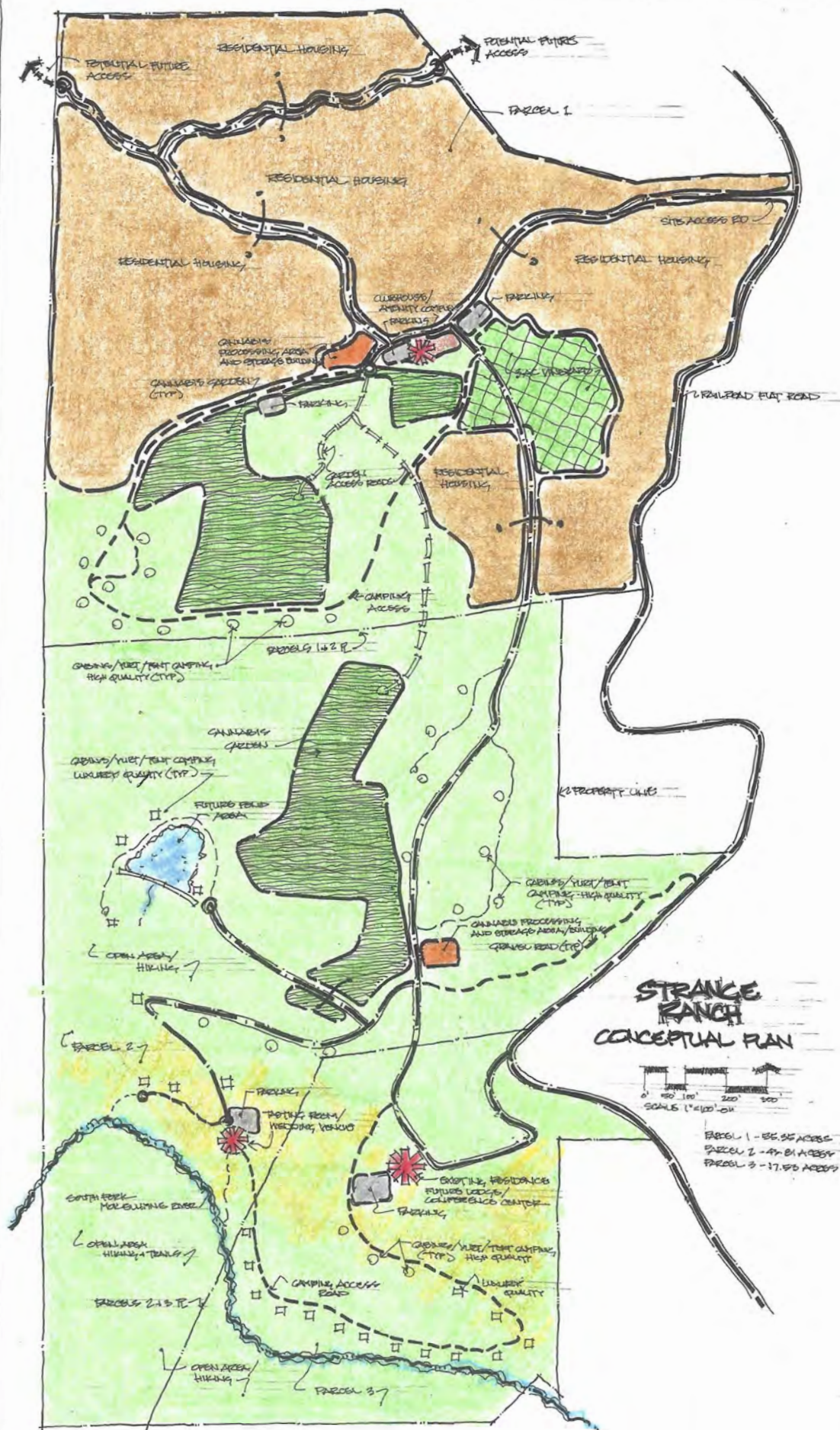
The three following pages contain different preliminary site plans for developing the 117 acres. They integrate the Residential and Resort Components, along with the cannabis farms (as further detailed in a following section). The preliminary plans include:

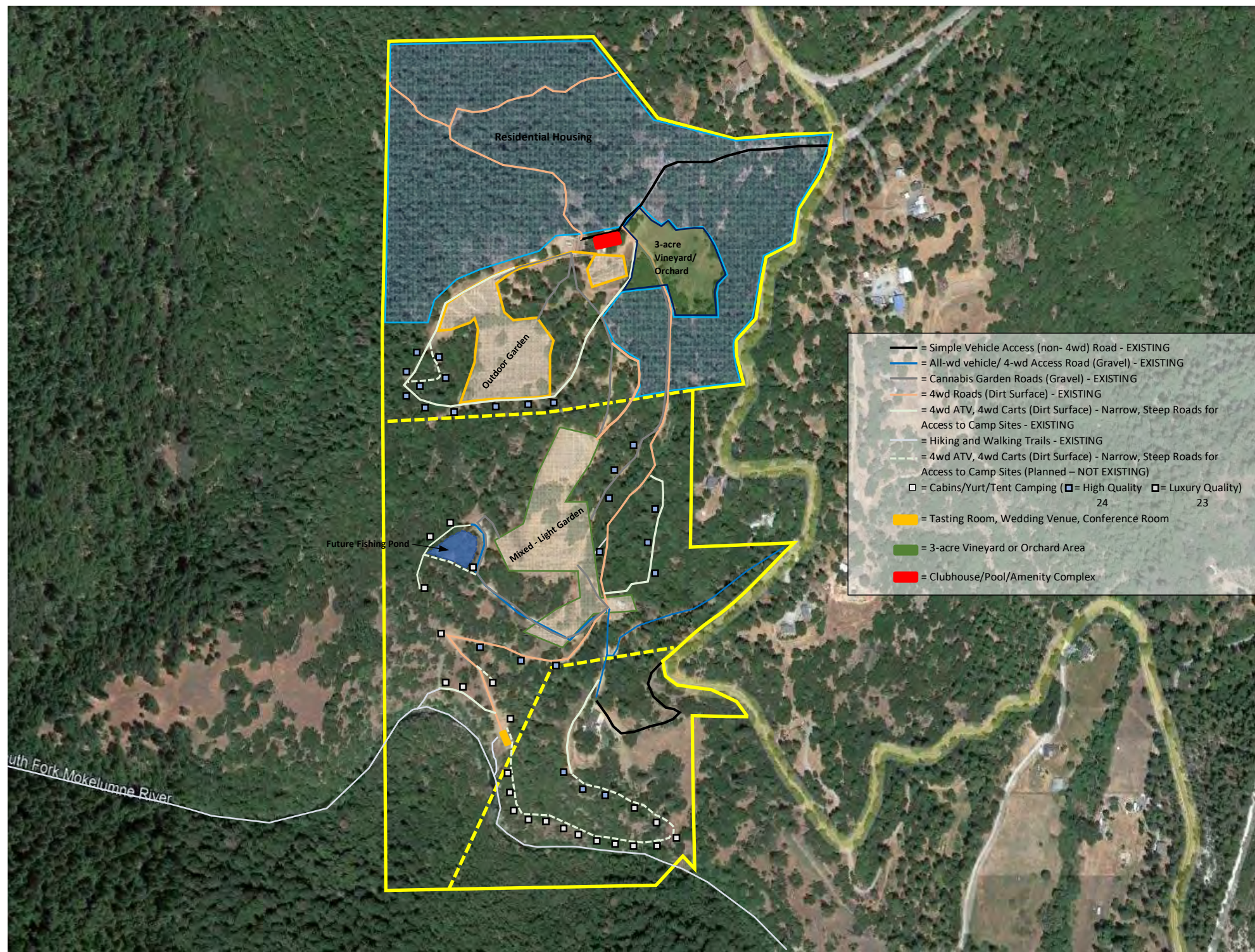
- o first page: a bubble diagram showing the various suggested uses. The Residential Component is shown in orange. The three-acre site for the vineyard/orchard/gardens is shown in cross-hatched green, and the clubhouse is shown with the red asterisk. The Resort Component is shown in light green with the various sites for overnight accommodations. The two-acre fishing and recreation pond is shown in blue, and the existing residences and proposed wedding venue are shown with the red asterisks. The cannabis farms are shown in dark green.



- o second page: an aerial photograph with the various proposed uses overlaid. The Residential Component is shown in blue; the vineyard/orchard/gardens in green; and the clubhouse in red. The Resort Component shows the possible sites for overnight accommodations as square boxes; tasting room, wedding venue, and/or conference facility in orange; and the pond in blue. The existing cannabis farms are shown in tan.







STRANGE RANCH RESORT - LODGING, CANNABIS TASTING AND EDUCATION CENTER

Parcel 1

Parcel 2

Parcel 3

Outdoor Garden

Mixed - Light Garden

RV
Parking
Area

Bureau of Land Management

South Fork Mokelumne River

Bureau of Land Management

Bureau of Land
Management

- = Simple Vehicle Access (non- 4wd) Road - EXISTING
- = All-wd vehicle/ 4-wd Access Road (Gravel) - EXISTING
- = Cannabis Garden Roads (Gravel) - EXISTING
- = 4wd Roads (Dirt Surface) - EXISTING
- = 4wd ATV, 4wd Carts (Dirt Surface) - Narrow, Steep Roads for Access to Camp Sites - EXISTING
- = 4wd ATV, 4wd Carts (Dirt Surface) - Narrow, Steep Roads for Access to Camp Sites (Planned - NOT EXISTING)
- = Hiking and Walking Trails - EXISTING
- = Cabins/Cottages/Yurts/Tent Camps (□ = 20 Units Phase 1) (□ = 32 Units Phase 2)
- = Tasting Room, Wedding Venue, Conference Room (1,000 ft²)
- = Residence/Lodge/Conference Center (3,350 ft²)
- = Outdoor Garden - Office, Processing, and Storage Building (700 ft²)
- = Clubhouse/Pool/Amenity Complex (1,600 ft² Building)
- = Mixed Light Garden - Office, Processing, and Storage Building (3,400 ft²)
- = Parking Areas - Total of 80 Vehicle Parking Spaces
- = Check-in Office and Facilities Management
- = RV Parking (25 Space Maximum)
- = On-Site Farm Product Purchases - (When Permitted)

- o third page: an aerial photograph showing all 117 acres being developed as a Resort Component. It also includes a space for RV parking. Here, there would be spaces for upwards of 100 overnight accommodations.

The first two site plans are comparable, and the most likely to be implemented. They include both Residential and Resort Components. The Residential Component would contain ± 60 single family homesites and additional ADUs for a total of ± 120 dwelling units. It is in the upper part of the two site plans (Parcel 1). It is covered with trees, and affords scenic forest and mountain views. This private, gated community is accessed by a new road off of Railroad Flat Road.



In the center of the Residential Component is the clubhouse with swimming pool and other amenities for the exclusive use of the owners. Also included is the three-acre parcel for vineyard, orchard and/or gardens. The existing cannabis farm is visually separated from the homesites. And, as noted in other sections of this document, it could be retained or eliminated.



The Resort Component is in the lower portion of the two site plans (Parcels 2 and 3). The suggested plan locates 47 individual overnight accommodations, including 24 designated as "High Quality" and 23 as "Luxury Quality." As noted elsewhere, this number could be upwards of 100 if the entire 117 acres were used as the Resort Component, and as shown in the third site plan.

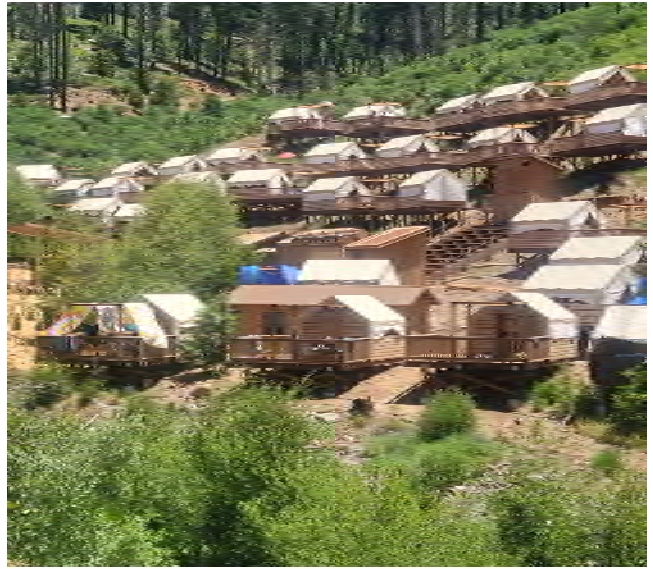
The accommodations could be in various architectural forms, including tiny-home cabins, yurts, unique tents, etc. Samples of such types are shown in the various photographs in this section.

The site plan for the 47 accommodations is fairly low density. Most likely, another 50 percent or more could be added without harming the visual quality of the development.

In the upper-left corner is the proposed two-acre fishing and recreation pond. Next to it is the second existing cannabis farm. As in the Residential Component, it will be visually separated from the rest of the Resort Component. Again, it could be retained or eliminated.

About a dozen of the 47 sites are adjacent to the South Fork of the Mokelumne River, with outstanding views, sounds and access. The other sites also have views of the river and surrounding mountains. As previously noted, and detailed in the next section, included in the Resort Component is the existing, beautiful 3,400 square foot single family residence. It could be incorporated in the development, or kept separately. Hiking and walking trails are found throughout both the Resort and Residential Components.

It is again emphasized that the three presented site maps are just examples of what could be included on the overall 117 acres, including the Residential Component and the Resort Component. Other approaches could exist, and most likely, at higher densities.



VII. THE EXISTING RIVER HOUSE AND PARCEL 3



The River House is a large, beautiful residence on the 17.53 acre Parcel 3. The original structure was built in 1972. It was significantly expanded and remodeled in 2004 and again in 2017.

The residence contains 3,400 square feet of interior space, and a large 1,020 square foot outside deck. It has four bedrooms and four bathrooms, with a four-car garage and storage space. The concrete siding is low maintenance. There is a new 24-kilowatt



whole house propane generator, and 22-kilowatt rooftop solar array that supplies more than required electrical needs to the home.

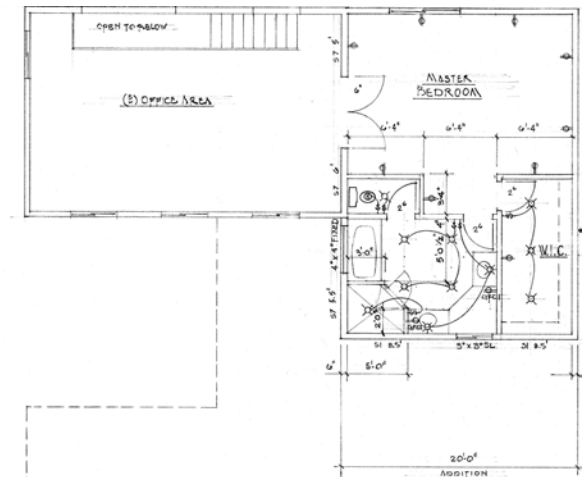
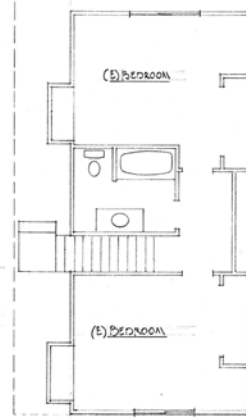
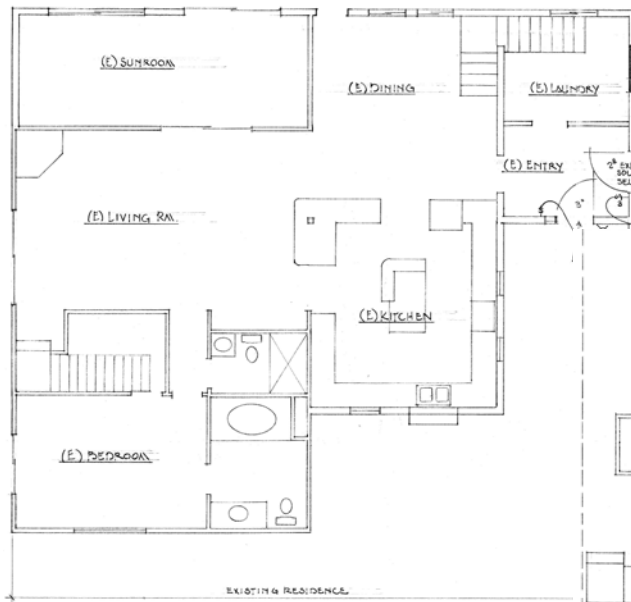
As shown in the accompanying photographs, the River House is uniquely designed. The rooms are spacious with contemporary fixtures, furnishings and natural figured maple cabinetry. All rooms have panoramic views. Access to the house is on a private gated paved road. The exterior deck has a large hot tub, and connects to an outdoor patio/dining area. A large swimming pool is planned on the eastern side of the house.

Views from the deck and throughout the house are world class. Below is the South Fork of the Mokelumne River with more than 1/3 mile of private access on both sides. Wild rainbow and brown trout and many unique wildlife species abound in the river and adjacent landscape.

Beyond the river to the south and west is BLM land with 1,100 acres of permanent open space. In other directions are the remainder of the 17.53 acre Parcel 3, Parcel 2, and a large parcel of private land.

In summary, the River House is a uniquely designed, very attractive residence. It is a perfect retreat with expansive views in a serene and private setting. It could be integrated into the Resort Component, or stand alone.





FLOOR PLAN OF THE RIVER HOUSE

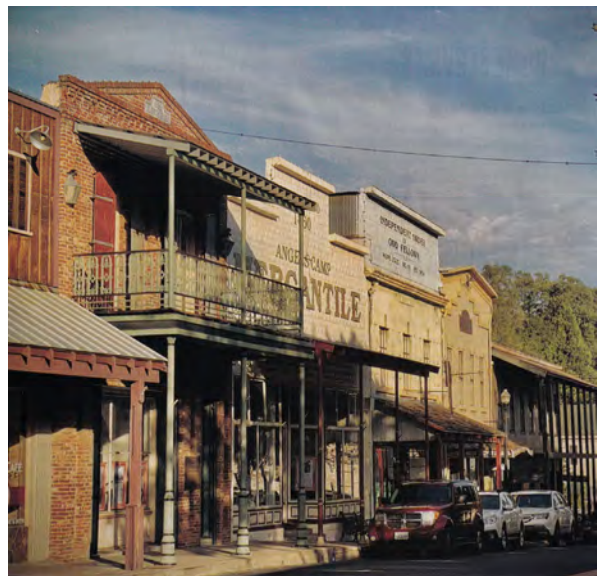
A financial performance model has been prepared by the owner, showing how the cannabis production can be profitable unto itself, i.e., whether or not incorporated into the Resort Component. Results are impressive, and project that the price of the land for Parcels 1 and 2 for growing cannabis would be fully recovered within a reasonable timeframe. If excluding the purchase price, annual net profit from farming is projected conservatively at about \$140,000 to over \$160,000. This is possible due to the existing investment of almost \$1 million in the two farms and the several years of operating expertise. The existing owner currently leases the two farms to professional growers. The leases represent practically pure profit to the lessor since all facilities and infrastructure costs already have been absorbed. The leases are short-term and can easily be extended or terminated by the new owner. Additional revenue from Hipcamp and home rentals provide an additional \$55,000 of annual income. There is ample room to expand the Hipcamp facilities for increased revenue.

The existing owner is willing to offer consulting services to the new owner in order to smoothly transition the growing and production processes. He has consulted extensively to other cannabis growers around the State, and is a professional wildlife biologist. Such services also could be valuable in obtaining approvals for the ±60 homesites and other possible resort-type uses on the property.

IX. THE ENVIRONS

Calaveras County is in the heart of the Sierra Nevada Gold Country. The entire area has long been a tourist and vacation home destination for families throughout Northern California and beyond.

As shown in the accompanying regional map, nearby historic towns include Jackson (23 miles) and Sutter Creek (24 miles) to the west, Placerville (52 miles) to the north, and Mokelumne Hill (16 miles), San Andreas (the County Seat at 24 miles), Angels Camp (36 miles), Jamestown (50 miles) and Sonora (52 miles) to the south. All of these communities are connected by well-known California State Highway 49, which runs northwest-southeast through the region.



ANGELS CAMP

The entire area abounds with all types of outdoor recreation activities, such as hiking, mountain biking, downhill and cross-country skiing, fishing, white water rafting, etc. It has a continental climate, usually providing ideal weather conditions for the four seasons. In the winter, the surrounding Sierras receive abundant snow for skiing. Golf is played year-round. Being at 2,700 feet in elevation, it has the important climatic advantages of being above the fog level of the Sacramento Valley and below the heavy snow level of the higher Sierras.

Some surrounding attractions include the following.

1. **Yosemite National Park** – A main entrance to this world-famous Park is 97 miles southeast. The Park encompasses over 1,100 square miles of beautiful scenery. It provides a myriad of activities to enjoy, including backpacking, biking, bird watching, fishing, hiking, horseback riding, rock climbing, swimming, downhill skiing, cross-country skiing, snowboarding and snowshoeing. It is one of only three National Parks in the U.S. with ski lifts. Elevations range from 2,000 feet to more than 13,000 feet. It annually attracts between four and five million visitors.
2. Several **downhill ski resorts** within two hours of the property, including:
 - Kirkwood Ski Resort with 65 trails, 2,300 acres of skiable terrain, a 2,000-foot vertical descent and 10 chairlifts. 52 miles.
 - Bear Valley Ski Area with 67 trails, 1,280 acres of skiable terrain, a 1,900-foot vertical descent and nine chairlifts. 59 miles.
 - Dodge Ridge with eight chairlifts, 59 trails and 815 acres of skiable terrain. 85 miles.
 - Several major ski resorts in the Lake Tahoe area. 90 miles.



HALF DOME AT YOSEMITE



3. There are **eight golf courses** within a 50-mile radius of the property. Six contain 18 holes, and two contain nine. All are public. They include:

- Castle Oaks (18)
- Copper Valley (18)
- Forest Meadows (9)
- Greenhorn Creek (18)
- La Contenta (18)
- Saddle Creek (18)
- Sequoia Woods (9)
- Teleli (18)



4. There are **three casinos** in the local area, all of which are operated by Native American Indian Tribes:

- Black Oak
- Jackson Rancheria
- Chicken Ranch which is about 50 miles from the property. It is completing a \$350 million expansion, including a 200-room hotel.

5. There are six large **public reservoirs and lakes** within 50 miles. All provide a wide array of boating, fishing, camping and other outdoor recreational activities. They include:

- Bear River Reservoir
- Camanche Reservoir
- Lake Amador
- New Hogan Lake
- New Melones Lake
- Pardee Reservoir



NEW MELONES LAKE

6. **Wineries** – The Gold Country is known as the second “Wine Country” of Northern California. Its wineries are being increasingly recognized by wine connoisseurs, and have become a major draw. Calaveras County and adjacent Amador County are home to over 55 wineries. Most have wine tastings and special events throughout the year.
7. **Stanislaus National Forest** – This popular recreational area is located near the southeast part of Calaveras County. It encompasses over 900,000 acres. It is home to a multitude of lakes and reservoirs, as well as 811 miles of rivers and streams and 18 fish species. Hikers, horseback riders and backpackers have 400 miles of trails, and over 1,000 miles of un-surface roads available. Other popular activities include boating, biking, camping, cross-country skiing, fishing, rafting, snowmobiling, swimming and wildlife observation.
8. **El Dorado National Forest** is near the northeast part of the County. It comprises almost 600,000 acres. As with Stanislaus National Forest, it is abundant with lakes, trails, wildlife observation and numerous other outdoor recreation activities.
9. **State Parks** – There are several fascinating State Parks in the area. Columbia State Historic Park is known as the best-preserved Gold Rush town in California. Visitors have the chance to time-travel to the 1850’s with opportunities to ride a 100-year old stagecoach, pan for gold, or tour an active gold mine. Railtown 1897 State Historic Park is home to one of America’s last intact, still-operating railroad round-houses. The Park has



HIKING IN THE SIERRAS



FISHING IN THE SIERRAS



CALAVERAS BIG TREES STATE PARK

appeared in more than 200 films, television productions and commercials. Calaveras Big Tree State Park encompasses over 6,000 acres of pine forest along both sides of the Stanislaus River, including two groves of giant sequoias.

10. **Festivals** – There are over 40 festivals and special events in Sierra Nevada Gold Country each year, attracting thousands of visitors and local residents. Among the most popular is the Annual Bear Valley Music Festival. This 16-day event was voted the best summer attraction in the Central Sierra, offering a full symphony orchestra, international soloists, legendary entertainers and renowned opera stars in a unique mountain setting. Other popular events include the Annual Celtic Faire in March, Spring Festival in April, Mother Lode Round-up Parade & Rodeo in May, Annual Sonora Blues Festival in August, Annual Me-Wuk Indian Acorn Festival in September, Sonora Christmas Festival in November, A Miner's Christmas in December, and of course the world-famous **Calaveras County Fair and Jumping Frog Jubilee** in May.



MARK TWAIN AND THE
ANGELS CAMP JUMPING
FROG JUBILEE

11. **Museums** – There are many fascinating museums and historic sites in the region. Among the most popular are the Groveland Yosemite Gateway Museum, City of Sonora Fire Museum, Snugg-McDonald Museum, Tuolumne County Museum & History Center, and Angels Camp Museum.

12. **Performing arts** – Theater, art and music are among the rich cultural attractions of the Gold Country. Stage 3 Theatre is located in nearby Sonora and specializes in presenting new plays, often from emerging playwrights. The Sierra Repertory Theatre has two locations, one in East Sonora and one in Columbia State Historic Park. Other performing arts venues include the Groveland Hotel Yosemite Courtyard Theatre, Murphy's Creek Theatre, Blue Mountain Theater and Duende. The well-known Ironstone Amphitheatre is in the nearby town of Murphys. It is a performing arts venue in a countryside vineyard.



IRONSTONE AMPHITHEATRE

13. **Lake Tahoe** is about 90 miles northeast.

It is a big blue centerpiece, surrounded by massive granite peaks of the Sierra Nevada, with skies reflecting into the largest alpine Lake in North America. North Lake Tahoe spans two states, California and Nevada, with top rated lodging for perfect family, romantic or relaxing vacations. Unique and beautiful communities dot the shores of North Lake Tahoe and the surrounding



LAKE TAHOE

mountainsides, each offering fine, casual and leisure dining options. Lake Tahoe offers hundreds of miles of hiking and biking trails, dozens of beaches, and 39 trillion gallons of water to enjoy. Many nationally recognized Lake Tahoe events including music festivals, concerts, food pairings and sporting events take place each season. There also are several major downhill ski resorts and championship golf courses.

X. THE MARKET AREA

Due to offering both Resort and Residential Components, the market area for **Strange Ranch** will be large in scope. Users and owners will be attracted for many reasons – as overnight guests, as seasonal occupants, and as year-round residents as telecommuters, pre-retirement couples and primary home dwellers.

The primary market area will be the San Francisco Bay Area, the Sacramento/San Joaquin Valley area, elsewhere in Northern California and even locally in the Gold Country. As the development grows in size and stature, its market area will expand beyond these areas into other parts of the State and elsewhere.

Within 2 ½ hours of **Strange Ranch** reside over 14 million people, generating almost five million households. Almost 40 percent of these households have annual incomes over \$100,000, or more than five million. About five percent have annual incomes over \$250,000, or more than 700,000.

The primary market area, especially the San Francisco Bay Area, is one of the most vibrant and prosperous regions in the entire country. And, the residents' participation rates in all types of outdoor recreation activities are far above national averages, as documented in *Outdoor Recreation for 21st Century America*.

In summary, the primary market area for **Strange Ranch** is very large, very wealthy and very active. Residents participate widely in all sorts of outdoor recreation, and appreciate environmentally sensitive designs and settings – all of which bode well for **Strange Ranch**, in addition of course, to the cannabis production itself.

One interesting statistic demonstrating how Calaveras County is becoming attractive as a vacation home destination (as well as a primary home destination) is the proportion of people who own residences in the County but do not live in the County, in other words, “absentee owners.”

Of the 4,871 improved and vacant residential properties in Calaveras County, 1,937 are owned by people living outside of the County, or a very high 39.8 percent. The vast majority of these owners live in the primary market area, with many of their properties in Calaveras County being used for seasonal-recreational purposes, i.e., vacation homes.

XI. SOME RECENT NEARBY DEVELOPMENTS



SUTTER CREEK

In response to an ever-increasing demand for overnight lodging and resort-residential homes, several recent developments have come forth in the Gold Country. There are two recent hotels, and one in the public approval process. All three are/will be uniquely designed and demand high room rates.

There are four resort-residential real estate projects in the area with active marketing and sales programs, as

summarized below. They provide some interesting comparable information for the possible ±60 homesites at **Strange Ranch**.

- o **Copper Valley (formerly Saddle Creek).** In Copperopolis, about 40 miles from the property in Calaveras County. 1,000-acre master-planned community, being opened in summer 2022. It is planned for 1,100 homes. Most recent phase includes 55 single family homes, ranging in size from 2,268 to 2,650 square feet. Prices will range from \$810,000 to

\$1.3 million. 18-hole championship golf course designed by Morrish & Associates. Large sports club.

- o **Zinfandel Ridge.** In Plymouth, about 35 miles from the property in Amador County. 132 acres. Started sales in 2017, and 75 homes have been sold. Planned for 350 homes. Homes range in size from 2,286 to 3,298 square feet. Most recent sales have averaged about \$960,000 for a home with about 2,550 square feet. No golf course, spa or hotel.



COPPEROPOLIS

- o **Valley Vista.** Also in Jamestown. Intend to start sales in summer 2022. 93 acres. 230 three- and four-bedroom manufactured homes. Will range in price from high \$300,000s to high \$500,000s, and intended as a modest quality project.
- o **Winchester Country Club.** In Meadow Vista, about 85 miles from the property in Placer County. Sales started in 2000. 1,170 acres, and planned for over 400 homesites. Lot sizes range from 1.4 acres to 4.0 acres. Current resale prices range from \$321,000 to \$499,000. Robert Trent Jones, Sr. golf course. Phases 5 and 6 will start soon.

XII. SUMMARY

This Information Memorandum describes a unique acquisition opportunity in Calaveras County in the famous Sierra Nevada Gold Country of California – the 117-acre **Strange Ranch**. This beautiful property currently contains:

- o two fully-licensed, operating and financially successful cannabis farms with an existing= turn-key infrastructure investment of over \$1 million
- o a beautiful 3,400 square foot estate home in a very private and scenic location
- o a beautiful 1,600 square foot farmhouse, and third home as housing for property manager
- o over 1/3 of a mile of private access and use along the South Fork of the Mokelumne River
- o currently operating Hipcamp facilities with 7 campsites available for public bookings.

- o high probability of developing:
 - a Residential Component with ± 60 single family homesites and ± 60 ADUs with public water and sewer
 - obtaining a third cannabis license
- o possibility of developing:
 - a Resort Component with:
 - 50 or more glamping sites and other forms of overnight accommodations
 - eco-tourism and cannabis-tasting activities
 - wedding and other event venues
 - the "Blue Mountain Reserve"

The owner is willing to provide consulting services in regard to:

- o continuing the highly successful cannabis operations
- o negotiating public entitlements for both the Resort and Residential Components



ENTRANCE TO STRANGE RANCH

XIII. PRICING

The asking price for the entire 117-acre **Strange Ranch** is \$5.95 million. Approximate prices for the three individual Parcels include:

Parcel	size and uses	price
1	55.35 acres - cannabis farm, license, and operations, including the 1,600 square foot Hilltop House, rental home, shop, license, possible RV park, and ancillary features - land use approved for ±60 homesites and ADUs	\$2.0 million
2	43.81 acres: - cannabis farm, operations, new processing facility, and license 685 linear feet of private river frontage and recreational activities - Camping, glamping, and eco-tourism lodging and recreational activities	\$0.85 million
3	17.53 acres: 3,400 square foot custom River House - camping, glamping, and eco-tourism lodging and recreational activities 1,170 linear feet of private river frontage - possible cannabis education center and tasting with Parcel 2 - possible third cannabis cultivation license	\$3.1 million
total		\$5.95 million