

Ewing Industrial Investment Opportunity

304 & 312 Stokes Ave: Dual-Building Value

STABILIZED LONG-TERM INCOME + IMMEDIATE VALUE-ADD FLEXIBILITY IN A SUPPLY-CONSTRAINED INDUSTRIAL CORRIDOR

Agenda

- 1. Property Overview & Financials**
- 2. Zoning, Legal & Market Context**
- 3. Value-Add, Visuals & Process**

Property Overview & Financials

Deal Snapshot

Prime Industrial Investment Opportunity

- Addresses: 304 & 312 Stokes Ave, Ewing, NJ
- Total SF: 8,984 (304: 4,680 SF leased, 312: 4,304 SF vacant)
- Zoning: IP-3 Industrial Park & Olden Ave Redevelopment Subarea 7A

Offering & Pricing

- 304 leased, 312 delivered vacant
- Asking Price (Both Buildings): \$1,300,000
- Price per SF (Combined): ≈ \$145 / SF
- Well below replacement cost
- Below stabilized industrial pricing in Mercer County

Lot Size & Parking

- 0.46 acres combined
- Parking: ± 15 on-site spaces, paved & fenced
- Access: Direct frontage on Stokes Ave; quick access to N Olden Ave, I-295, Route 1, I-195

Why Now?

- IP-3 zoning is scarce and increasingly constrained in Mercer County
- Small-bay industrial demand is outperforming large-box warehouse
- Cannabis-backed income provides long-term downside protection
- Vacant second building allows buyer-controlled upside timing
- Redevelopment overlay may offer tax and incentive advantages (buyer to confirm)
- “Use one / rent one” structure appeals to both investors and owner-users

Access & Utilities

- Paved roads, close to Route 1/I-295, public transit nearby
- Public water/sewer, natural gas, central A/C

INCOME & LEASE OVERVIEW (304 STOKES AVE)

Lease Documentation

- Executed Lease: Fully executed and in force
- Tenant: Canfections NJ, Inc.
- Premises: 304 Stokes Ave, Ewing, NJ
- Use: Cannabis manufacturing, processing, office & warehousing
- Commencement Date: November 1, 2022
- Expiration Date: October 31, 2042
- Remaining Term: ~18 years
- Amendments: None to date (subject to confirmation)
- Copy of fully executed lease available in data room. Long-term double net lease; tenant pays taxes, insurance, repairs
- Base Rent: \$2,400/mo (\$0.51/SF); Security Deposit: \$4,800
- Lease executed; double net structure; lease amendments available

Rent Schedule

- Year 1 (Intro Period): \$1,200 / month
- Year 2 (Current): \$2,400 / month
- Years 3-20:
- 3% annual rent escalations, compounded
- **Renewal Options:**
- As defined in lease (buyer to confirm during diligence)
- Current Annual Base Rent: \$28,800
- Escalation Profile: Automatic, no renegotiation required

Expense Structure (Near-NNN)

Tenant Responsibilities:

- Utilities (100%)
- Interior maintenance & repairs
- Mechanical systems
- Snow removal & trash
- Environmental compliance (including cannabis-related obligations)
- 50% of real estate taxes (apportioned per lease)

Landlord Responsibilities:

- Roof
- Structural components
- Foundation
- Operating expense exposure is limited and predictable.

INCOME & LEASE OVERVIEW (304 STOKES AVE)

Security & Credit Enhancements

- Security Deposit: Two (2) months' rent (\$4,800)
- Guaranty: Good Guy Guaranty in place
- Insurance:
- Tenant carries required liability coverage
- Landlord named as additional insured

Income Takeaway

- Income Takeaway (Investor View)
- Long-term contracted income through 2042
- Built-in NOI growth via 3% annual escalations
- Near-NNN structure limits landlord exposure
- Cannabis risk is defined, allocated, anpriced

Environmental & Cannabis Provisions

- Tenant responsible for:
- SRA compliance (if applicable)
- All cannabis-related regulatory and environmental obligations
- Lease includes protections limiting landlord liability related to tenant's operations
- Key cannabis risk is contractually assigned to tenant.

Tenant Profile

- Business: Licensed New Jersey cannabis manufacturer
- Operations: Production, processing, and distribution support
- Years in Place: Since November 2022
- Payment History: Current and in good standing (ledger available upon request)

**THIS LEASE BEHAVES LIKE
LONG-DURATION INDUSTRIAL INCOME
WITH ESCALATORS,
NOT A SPECULATIVE
CANNABIS BET**

ZONING & REDEVELOPMENT FRAMEWORK (VALUE DRIVER)

Zoning Summary

- Municipality: Ewing Township, Mercer County, NJ
- Zoning District: IP-3 – Industrial Park Zone
- Overlay: Olden Avenue Redevelopment Area – Subarea 7A
- Planning Framework: Prospect Park Small Business / Light Industrial
- Zoning documentation and redevelopment plan excerpts available in data room.

What IP-3 + Subarea 7A Allows (High-Level)

- The zoning and redevelopment overlay are intentionally designed to support employment, service, and light industrial uses, including:
- Light manufacturing & assembly
- Warehousing, distribution & storage
- Contractor offices & service yards
- Flex industrial / trades campus
- Research, testing & technical facilities
- Utilities & municipal-related facilities
- Renewable energy & clean-tech support
- Cannabis-related uses (subject to local compliance)
- Most uses are permitted by-right or with administrative site plan approval, not use variances.

ZONING & REDEVELOPMENT FRAMEWORK (VALUE DRIVER)

• Existing Approvals / Status

- Buildings: Existing, legally nonconforming industrial structures
- Certificates of Occupancy: Issued for prior industrial uses (buyer to confirm specifics)
- Site Plans / Variances:
- No known outstanding violations
- No known use variances required for existing operations
- Buyer to confirm any proposed new use with township zoning officer during diligence.

Cannabis Use Confirmation (304 Stokes)

- Cannabis manufacturing use currently permitted and operating
- Tenant is a licensed NJ operator
- Use registered and functioning under existing municipal framework
- Lease places all regulatory and compliance responsibility on tenant
- Cannabis use is established, not speculative.

YOU'RE NOT BUYING A SINGLE-USE
ASSET — YOU'RE
BUYING A ZONING
ENVELOPE WITH OPTIONS.

312 STOKES | LEASING & VALUE-ADD PLAN

Target Tenant Profile (High-Probability Users)

- Focused on service-based, small-bay industrial demand in Mercer County.
- Primary Targets
- HVAC, electrical, plumbing, fire protection contractors
- Low-voltage / telecom / security installers
- Equipment service & repair operators
- Light manufacturing / assembly users
- EV, solar, or clean-tech service contractors
- Municipal / utility-adjacent users
- These users value access, parking, and functionality over Class A finishes.

Market Rent Assumptions (Conservative)

- Based on small-bay flex / light industrial leasing in Central NJ:
- As-Is Rent: \$13–14 / SF
- Stabilized Market Rent: \$15 / SF
- Light Value-Add Rent: \$16–18 / SF (depending on scope)
- Underwriting Assumption Used: \$15 / SF @ 90% occupancy

YOU'RE NOT BUYING A SINGLE-USE
ASSET — YOU'RE
BUYING A ZONING
ENVELOPE WITH OPTIONS.

Optional Value-Add Menu (Cost-Effective Only)

Demising for Micro-Bays

- Demising for Micro-Bays
- Subdivide into 2–4 contractor-sized bays
- Increases tenant pool and leasing velocity
- Phased execution possible
- 2□ Exterior Lighting & Security
- LED lighting upgrades
- Cameras / controlled access
- Low cost, high tenant appeal
- 3□ Parking Re-Stripe / Fencing
- Improves circulation and visual order
- Supports contractor and service use
- Minimal capex
- 4□ Exterior Signage
- Individual or monument signage
- Improves visibility and tenant branding
- Fast approval under redevelopment overlay
- No structural changes assumed.

Pro Forma Scenarios (312 Only)

Scenario A - As-is Lease

- Rent: \$13.50 / SF
- NOI: ~\$40K
- Minimal capex
- Fast execution

Scenario B - Stabilized (Base Case)

- Rent: \$15.00 / SF
- Occupancy: 90%
- NOI: ~\$48K

Scenario C - Light Value-Add

- Rent: \$17.00 / SF
- NOI: ~\$55K+
- Minor exterior & demising capex
- Highest return on modest spend

THIS IS A LEASING PLAN DESIGNED
TO REDUCE
TIME RISK, NOT CHASE
TOP-OF-MARKET RENTS

Pro Forma Scenarios (312 Only)

Strategy 1: Micro-Warehouse / Contractor Flex (Speed to Cash)

Concept - Subdivide 4,000 SF into 3-5 small bays - Light finishes, roll-up doors, shared restroom

Illustrative Visual - Subdivided warehouse with multiple roll-up doors - Simple industrial finishes, shared drive aisle

Illustrative Numbers (Buyer Plug-In) - Buildout cost: \$____ / SF → Total: \$____ - Avg bay size: ____ SF - Rent per bay: \$____ / month - Gross annual rent: \$____ - Operating expenses (%): ____% - Estimated NOI: \$____

Why It Works - Strong unmet demand from trades and small operators - Fast lease-up, low tenant improvement costs - Preserves future optionality

Pro Forma Scenarios (312 Only)

Strategy 2: Flex Industrial / Trades Campus

Concept - Lease to HVAC, electrical, plumbing, low-voltage, service contractors - Combine office + bay configuration

Illustrative Visual - Flex-industrial bays with office frontage - Contractor vehicles, light yard use

Illustrative Numbers (Buyer Plug-In) - Buildout cost: \$____ / SF → Total: \$____ - Lease rate: \$____ / SF (NNN or Gross) - Total leased SF: ____ - Gross annual rent: \$____ - Operating expenses (%): ____% - Estimated NOI: \$____

Why It Works - Fully aligned with IP-3 zoning - No variances or special approvals typically required - Long-term, sticky tenants

Pro Forma Scenarios (312 Only)

Strategy 3: Garage Condos or Flex Condos (Exit Value)

Concept - Reconfigure bays into condo-style units - Sell individually to end users (hobbyists, contractors, collectors)

Illustrative Visual - High-finish garage condos with roll-up doors - Individually demised units with parking

Illustrative Numbers (Buyer Plug-In) - Conversion cost: \$____ / SF → Total: \$____ - Number of units: ____ - Avg unit size: ____ SF - Sale price per unit: \$____ - Gross sellout value: \$____ - Estimated total profit (pre-carry): \$____

Why It Works - Strong regional demand - Buyers value ownership and control over cap rates - Converts income property into product



FLEX INDUSTRIAL / TRADES CAMPUS
(LOW FRICTION)



LIGHT MANUFACTURING
(MAKER SPACE)



MUNICIPAL / UTILITY-ADJACENT
(USE CASE)



EV / CLEAN-TECH SUPPORT
(SUPPORT FUNCTIONS)