



800 SBHP, LLC

FINANCING INVESTMENT OPPORTUNITY

800 SOUTH BLACK HORSE PIKE
WILLIAMSTOWN, NJ

CONFIDENTIAL

THE OPPORTUNITY

800 SBHP, LLC is seeking financing for the development of commercial real estate.

The property located at 800 South Black Horse Pike in Williamstown, NJ is in a commercially desirable area and is being developed for a retail cannabis store (“Not Your Mother’s Garden”), which will be operated by the property owner. There is no debt on the property.

Loan Request:

- Amount: \$800,000
- Term: 7 Years
- Rate: 15%
- Payment Terms:
 - Deferral of payments for 6 months after closing. \$60,000 Amortization of Interest rolled into the loan.
 - Monthly payments of \$16,595 due on the 1st of the Month
 - Staged 5% Prepayment penalty, phasing out by 1% each year for 5 years.

COLLATERAL

- First Position on 800 South Black Horse Pike, Williamstown, New Jersey
 - Estimated value of property after development: \$1,400,000. *(Source: Joseph Riggs, Vice President of leading worldwide commercial real estate firm, NAI Mertz)*
- First right of refusal to New Jersey Class 5 Cannabis Retail License (Microbusiness)
- Life Insurance on owner of 800 SBHP, LLC



800 SOUTH BLACK HORSE PIKE

- Property was listed for sale at \$425,000 and was purchased in 2022 for \$330,000.
- Existing Structures Include:
 - 3,276 square foot mixed used building:
 - Recently Renovated 1st Floor Office, to be used as corporate offices for the cannabis retail store.
 - Modern Second Floor Apartment, currently leased.
 - 1,000 Square Foot (est.) Garage/Workshop
 - 400 Square Foot Pool House (To be Demolished)
 - Southbound-facing Billboard (Currently Leased)
- Planned New Structure:
 - 2,300 sq. ft. Retail Building
 - Parking Lot

USE OF LOAN PROCEEDS

Proceeds of the loan will be used to construct a 2,300 square foot retail store and its related land improvements, as well as furnishings for the store.

Anticipated Cost Breakdown:

- 2,300 sqft. Retail Building: \$575,000 (*\$250/sq. ft.*)
- Land Development: \$100,000
- Affixed Retail Furnishings: \$ 45,000
- Allowance for Overruns: \$ 80,000

Loan proceeds will only be used for the commercial development of the property. They will not be used for startup or operating expenses of Not Your Mother's Garden.

SUPPLEMENT

The following projections and other material are provided for the sole purpose to demonstrate the forecasted capability to service the debt being sought.


It is not intended to represent an investment opportunity in Not Your Mother's Garden.

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NOT YOUR MOTHER'S GARDEN

Not Your Mother's Garden ("NYMG") is the cannabis retailer that will be leasing the property at 800 South Black Horse Pike. This operation is the source of the ability to ensure loan repayments can be made timely and consistently.

NYMG is a woman owned business enterprise, wholly owned by Lois Trantas, wife of Chris Trantas, the sole owner of 800 SBHP, LLC. The company has been issued a retail microbusiness license and has the support of local government officials.

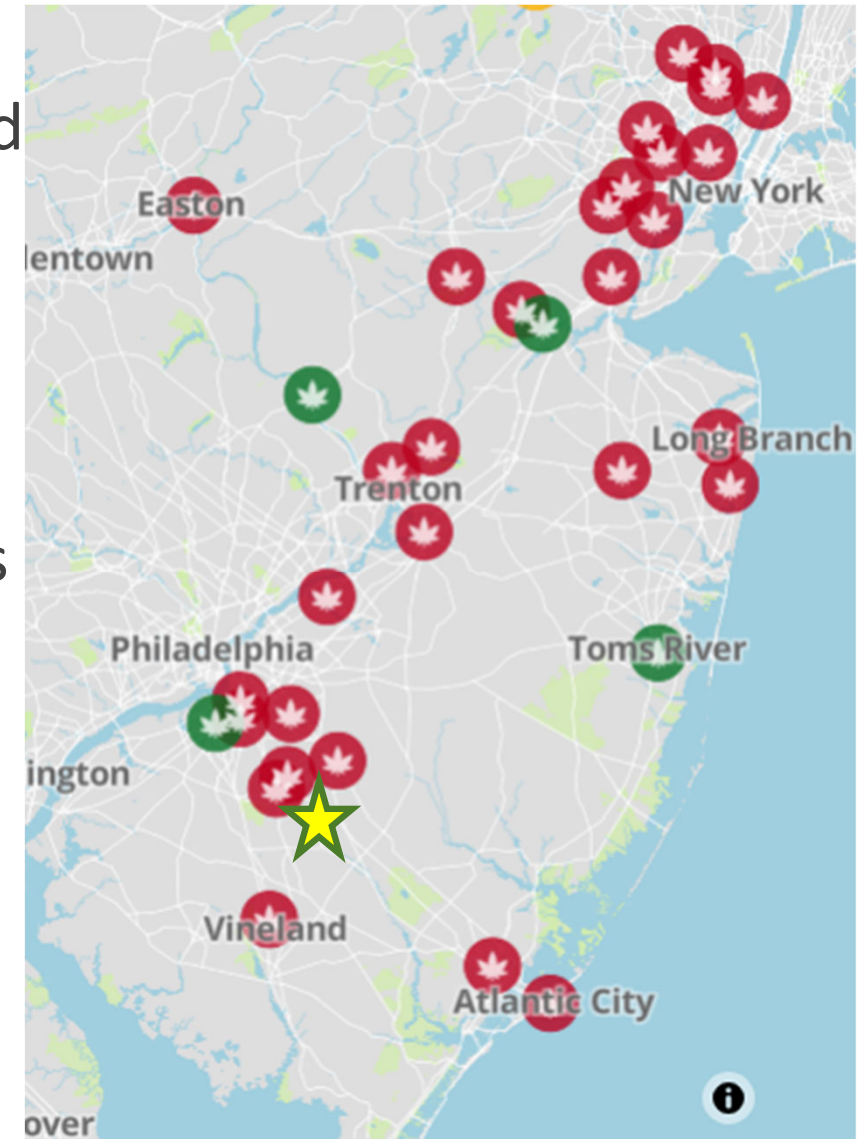


NOT YOUR MOTHER'S GARDEN – THE MARKET

NYMG will be the second cannabis retailer in Williamstown, NJ with a population of 15,082, where the median household income is \$85,302. Approximately 11,145 (73.9%) of residents are over 21 Years Old, the legal age to purchase cannabis.

As of June 2023, there are 35 recreational-only cannabis dispensaries in the State of New Jersey. Of those 35, there is 1 in the same county as Williamstown (Gloucester County) and is approximately 13 miles from NYMG.

Approximately 63% of issued licenses are in Central or Northern New Jersey, providing for a robust opportunity in the Southern New Jersey area.



NOT YOUR MOTHER'S GARDEN – PROJECTIONS

Sales Assumptions:

New Jersey Rec Sales Total

Dates	Sales	Transactions
April 21st-April 23rd	\$3,528,607.11	24,811
April 24th- April 30th	\$5,525,230.56	46,057
May 1st- May 7th	\$5,066,631.66	43,821
May 8th- May 14th	\$4,755,522.97	45,755
May 15th-May 21st	\$5,325,883.08	51,969
April 21st- May 21st	\$24,201,875.38	212,433

<https://www.nj.gov/cannabis/resources/reports-stats-info/>

Using the most recent month's public data available, there were 212,433 transactions over 30 days, equating to 7,081 sales per day, across the 35 recreational dispensaries. This averages 202 customers per day, per store.

The Average Order Value (AOV) in the last 30 days was \$113.93

Our projected scenarios top out at 200 customers at a conservative AOV of \$110.

NOT YOUR MOTHER’S GARDEN – PROJECTIONS

Margin Assumptions: Industry research shows that dispensaries who are resellers (“Other Companies” rather than grow in house (“In House”) typically sell products that fall in tiers, according to their quality.

Lower Tier products average 70.9% margins, at an average sale price of \$31 at an average cost of \$9.00.



	Flower Cost	Retail Price
In House	Low Tier 3.5g's - \$3.50- \$5.00`	\$21.50- \$30.00 (Ground Flower Usually Priced Lower)
Other Companies	Lower Tier 3.5g's - \$8.00-\$10.00	\$25.00-\$37.00 With other companies you have to match other competitors
In House	High Tier 3.5g's - \$10.00- \$15.00	\$30.00-\$45.00 (Higher Potency Strains and Big Names) Your Top-Notch Stuff
Other Companies	High Tier 3.5g's - \$16.00-\$21.00	\$45.00-\$65.00 Depending on how much competition is selling for or you could sit on product if not priced right.



Higher Tier products average 66.4% margins, at an average sale price of \$55 at an average cost of \$18.50.

All of our projected scenarios use a conservative margin of 50%.

NOT YOUR MOTHER’S GARDEN – PROJECTIONS

Customers Per Day: 75

	Monthly	Annual
Customer Per Month	2,250	27,000
Income from sales	247,500	2,970,000
Cost of Goods Sold	123,750	1,485,000
Gross Profit	123,750	1,485,000
General Expense	39,550	474,604
Employees Payroll	40,702	488,424
Officer Payroll	12,990	155,880
Payroll Tax	5,101	61,209
Rent	17,500	210,000
NJ Tax Fee of 2% of Sales	4,950	59,400
Net Income	2,957	35,483
800-SBHP LLC		
Rental Income NYMG	17,500	210,000
2 Bed Room Appt	1,500	18,000
Billboard	650	7,800
Net Income	19,650	235,800
General Expense	2,412	28,940
Net Income Before Debt Services	17,238	206,860
Less Debt Services	16,595	199,140
Net Income After Debt Services	643	7,720
Total Net Income For Both	3,600	43,203

Customers Per Day: 150

	Monthly	Annual
Customer Per Month	4,500	54,000
Income from sales	495,000	5,940,000
Cost of Goods	247,500	2,970,000
Gross Profit	247,500	2,970,000
General Expense	39,550	474,604
Employees Payroll	40,702	488,424
Officer Payroll	12,990	155,880
Payroll Tax	5,101	61,209
Rent	17,500	210,000
NJ Tax Fee of 2% of Sales	9,900	118,800
Net Income	121,757	1,461,083
800-SBHP LLC		
Rental Income NYMG	17,500	210,000
2 Bed Room Appt	1,500	18,000
Billboard	650	7,800
Net Income	19,650	235,800
General Expense	2,412	28,940
New Income	17,238	206,860
Less Debt Services	16,595	199,140
Net Income After Debt Services	643	7,720
Total Net Income For Both	122,400	1,468,803

Customers Per Day: 200

	Monthly	Annual
Customer Per Month	6,000	72,000
Income from sales	660,000	7,920,000
Cost of Goods	330,000	3,960,000
Gross	330,000	3,960,000
General Expense	39,550	474,604
Employees Payroll	40,702	488,424
Officer Payroll	12,990	155,880
Payroll Tax	5,101	61,209
Rent	17,500	210,000
NJ Tax Fee of 2% of Sales	13,200	158,400
Net Income	200,957	2,411,483
800-SBHP LLC		
Rental Income NYMG	17,500	210,000
2 Bed Room Appt	1,500	18,000
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Net Income	19,650	235,800
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New Income	17,238	206,860
Less Debt Services	16,595	199,140
Net Income After Debt Services	643	7,720
Total Net Income For Both	201,600	2,419,203

NOT YOUR MOTHER’S GARDEN – PROJECTIONS

Customers Per Day: 75

	Monthly	Annual
Customer Per Month	2,250	27,000
Income from sales	247,500	2,970,000
Cost of Goods Sold	123,750	1,485,000
Gross Profit	123,750	1,485,000
General Expense	39,550	474,604
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Less Debt Services	16,595	199,140
Net Income After Debt Services	643	7,720
Total Net Income For Both	3,600	43,203

Breakeven Scenario: 75 Customers per Day

NYMG is projected to breakeven at 75 customers per day. This customer count would allow for monthly cash flow to cover all operating expenses, including \$17,500 in Rent to 800 SBHP, LLC.

800 SBHP, LLC would cover the debt service on the loan amount being sought and also break even on a monthly basis.

NOT YOUR MOTHER'S GARDEN – PROJECTIONS

Customers Per Day: **150**

	<u>Monthly</u>	<u>Annual</u>
Customer Per Month	4,500	54,000
Income from sales	495,000	5,940,000
Cost of Goods	247,500	2,970,000
Gross Profit	247,500	2,970,000
General Expense	39,550	474,604
Employees Payroll	40,702	488,424
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General Expense	2,412	28,940
New Income	17,238	206,860
Less Debt Services	16,595	199,140
Net Income After Debt Services	643	7,720
Total Net Income For Both	122,400	1,468,803

Conservative Scenario: 150 Customers per Day

NYMG feels that 150 customers is a conservative estimate for daily sales, based on public records and independent observation of competitors.

At 150 customers per day, NYMG's forecasted Net Profit is 24.5% of sales.

800 SBHP, LLC would cover the debt service on the loan amount being sought and would continue to break even on a monthly basis.

NOT YOUR MOTHER’S GARDEN – PROJECTIONS

Customers Per Day: **200**

	<u>Monthly</u>	<u>Annual</u>
Customer Per Month	6,000	72,000
Income from sales	660,000	7,920,000
Cost of Goods	330,000	3,960,000
Gross	330,000	3,960,000
General Expense	39,550	474,604
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Net Income	19,650	235,800
General Expense	2,412	28,940
New Income	<u>17,238</u>	<u>206,860</u>
Less Debt Services	16,595	199,140
Net Income After Debt Services	643	7,720
Total Net Income For Both	<u>201,600</u>	<u>2,419,203</u>

Moderate Scenario: 200 Customers per Day

At 200 customers per day, NYMG would be on par with the average daily customer count according to recent public records. Forecasted Net Profit is 30.4% of sales.

As most operating expenses are fixed, as customer counts increase, economies of scale allow for compounding growth in profitability.

800 SBHP, LLC would cover the debt service on the loan amount being sought and would continue to break even on a monthly basis.