



Identified IPR Properties

Scott Township PA PharmaCann	2
Lansing MI Ascend Wellness	3
Dwight IL PharmaCann	6
Sacramento CA Undisclosed Tenant	8
Phoenix AZ The Pharm	11
Litchfield IL Grassroots	13
Lansing MI Green Peak Industries	15
Lansing MI Green Peak Industries	18
Monson MA Holistic Industries	20
Akron OH Vireo	22
Pittsburgh PA Maitri Genetics	24
Southern California Undisclosed tenants	26
Will County IL Cresco	28
Kankakee IL Cresco	30
Toledo OH Green Thumb Industries LLC	31
Scranton PA Vireo	33
Los Angeles CA DYME	34
Pike County IL Ascend Wellness	37
Denver CO The Green Solution	40
Quincy FL Trulieve	43
Holyoke MA Trulieve	44
Chambersburg PA Grassroots	47
Danville PA Green Thumbs Industries	49
Oglesby IL Green Thumbs Industries	55
Capital Heights MD Holistic Industries	58
Harrison Township MI Emerald Growth Partners	59
Dimondale MI Green Peak Industries	62
Warren MI LivWell	65
Otsego MN Vireo	66
Perth NY Vireo	68
Saxton PA Green Leaf Medical	69
Richmond VA Green Leaf Medical	71
Buckeye Lake OH PharmaCann	72
Hamptonburgh NY PharmaCann	74
Holliston MA PharmaCann	75
Las Vegas NV MJardin	76



Scott Township PA PharmaCann

Core Issue:

Far from completion property, bizarre lease terms, potential default.

Transaction details:

On August 8th, 2019, IIPR purchased property from PharmaCann for \$942,000, comprising of 23,000 sq. ft. industrial facility and approximately 31,000 sq. ft. greenhouse facility. The initial purchase price was \$942,000, offering reimbursement for improvement up to \$29.1M, including an additional \$4.0M which may be requested by PharmaCann within nine months following the closing. Assuming full reimbursement for the construction, including the additional potential funding, IIPR's total investment in the property will be \$30.0 million (excluding transaction costs).

Address:

We have identified the address to be Lot 4 Life Science Drive, Scott Technology Park, Olyphant, PA, corresponding to parcel 071.04-010-004.12

Initial Terms:

The monthly Base Rent for the first twelve (12) months of the Term of the Lease shall be equal to Two Hundred Sixty Thousand Dollars (\$260,000.00) subject to subsequent adjustment under this Lease (as may be adjusted, the "Monthly Base Rent Amount"). Considering the initial \$4.0M capital layout IIPR announced, the annualized yield would be 63%.

Independent due diligence:

We visited the site on 03/20/2020. To our astonishment, the property was still in very early age of construction.





According to the [property development lease](#), construction was scheduled to finish in November of 2019.

SCRANTON, PA CULTIVATION SITE

	1				2				3				4				5				6				7				8				9				10																			
	March 2019				April 2019				May 2019				June 2019				July 2019				August 2019				September 2019				October 2019				November 2019				December 2019																			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4												
Drawings - Review - Approval																																																								
1 Preliminary Submission Drawings	XXXXXX																																																							
2 Zoning Site Plan Approval					XXXXXX																																																			
3 Temp Building Drawings					XXXXXX																																																			
4 Final Site & Building Drawings									XXXXXX																																															
5 Temp Building Permit									XXXXXX				XXXXXX																																											
6 Building Permit Approval													XXXXXX																																											
Rough Site Improvements																																																								
1 Site Survey & Stakeout	XXXXXX																																																							
2 Clear & Grub Site	XXXXXX				XXXXXX																																																			
3 Strip - Stockpile Topsoil					XXXXXX																																																			
4 Rough Grade Site					XXXXXX				XXXXXX																																															
5 Stone Pads for Buildings									XXXXXX																																															
6 Stone Drives									XXXXXX																																															
Public Utility Connections																																																								
1 Storm Sewer Connections	XXXXXX				XXXXXX																																																			
2 Sanitary Sewer Connections	XXXXXX				XXXXXX																																																			
3 Water Service Connections	XXXXXX				XXXXXX																																																			
4 Electric Service Connections	XXXXXX				XXXXXX																																																			
5 Gas Service Connections	XXXXXX				XXXXXX																																																			
6 Phone - Cable Connections	XXXXXX				XXXXXX																																																			
Phase 1 Grow Site																																																								
1 Foundations					XXXXXX																																																			
2 Under slab Work					XXXXXX																																																			
3 Stone - Slabs on grade					XXXXXX																																																			
4 Trailers	XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											
5 Metal Building	XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											
6 Utilities	XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											
7 Sitework					XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											
Sitework					XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											
Headhouse Construction									XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											
Greenhouse Construction													XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX				XXXXXX											

However, according to [this report](#), construction was severely delayed and only began in December 2019 as they only received final construction approval in October. PharmaCann spokesman Jeremy Unruh indicates that the property would be up and running in the second quarter of 2020. However, our research indicates that the property is far from completion. Moreover, due to the coronavirus breakout, we can expect severe delay in the construction. We estimate that it should take another 12 months or so to be fully completed.

We question why PharmaCann is willing to pay, or can afford to pay over \$3M in rent per year without being able to use the facility at all.

Lastly, we are deeply concerned with PharmaCann’s financial performance. Please refer to the main report for details.

Discount Treatment:

We believe rent payment for should be completely discounted due to the fact that the property is simply not developed or usable. We also have concerns about PharmaCann as a counterpart.

Lansing MI Ascend Wellness

Core Issue:

Overpayment.

Transaction details:

On 07/09/2019, IIPR closed the acquisition of a property in Lansing, MI, which comprises approximately 145,000 sq. ft. of industrial space. The initial purchase price was approximately \$4.8M, with additional reimbursement for improvements of up to \$15M.



Address:

We have identified the address to be 735 E. Hazel Street, Lansing, MI, 48912. Parcel ID #: 33-01-01-22-105-001

Initial Terms:

We estimate 2020 rent to be around \$725,000 , representing a yield of 15.23%.

Independent due diligence:

Below are photos taken of the property on 01/15/2020. We do not see any signs of production activity going on and suspect it is an empty warehouse.



We visited the facility again on 03/23/2020. It appears construction has just started.



We suspect the property is months away from being ready to use, and question why the tenant would pay rental income on an empty warehouse, or how IIPR could charge rental income on such property.

More disturbingly, this property value has been hugely inflated. According to [deed records](#), the property transaction price has gone up from \$930,000 to \$4.8M in merely a week. We also see it being priced at a significant premium compared to [the county's assessment](#).

Seller	Buyer	Document No.	Date	Price
Tranter Commons LLC	735 Hazel LLC	2019-022431	7/5/2019	\$ 930,000
735 Hazel LLC	Element 52 LLC	2019-022432	7/5/2019	\$ 3,600,000
Element 52 LLC	FPAW Michigan LLC	2019-022432	7/9/2019	\$ 4,750,000
FPAW Michigan LLC	IIP MI3 LLC	2019-023507	7/15/2019	\$ 4,750,000

Source: County deed records

Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2019	\$621,200	\$621,200	\$558,899
2018	\$545,800	\$545,800	\$545,800
2017	\$462,100	\$462,100	\$452,107



Discount Treatment:

We discounted the rent by 80% to reflect the true value of current investment. We believe the original purchase price by the previous party of \$930,000 is much more reflective of the underlying economics of the property.

Dwight IL PharmaCann

Core Issue:

Overpayment, potential default.

Transaction details:

On 10/30/2019 IIPR closed on the purchase of a property with approximately 48,000 sq. ft. of industrial space. The purchase price was \$18M, with up to \$7M reimbursement for improvement.

Address:

We have identified the property to be located on 1200 E Mason Ave, Dwight, IL, 60420, parcel # 05-05-02-300-015

Initial Terms:

We estimate 2020 rent for this property to be \$3.68M, representing a yield of 20.44%.

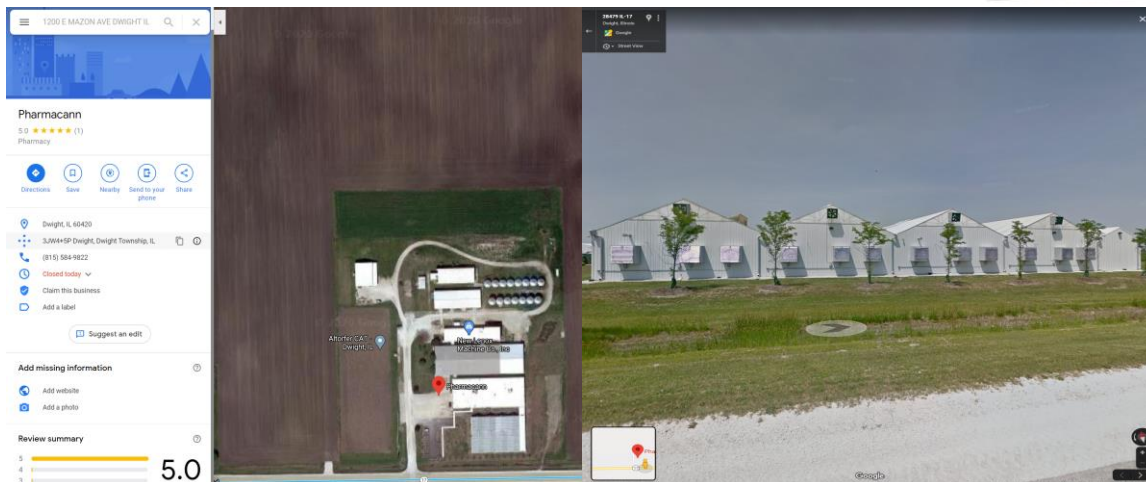
Independent due diligence:

This property showed significant price increases in just one year prior to the sales to IIPR. According to [deed records](#), the property was sold for \$1.75M in 08/16/2018 before selling for \$18M on 10/30/2019 to IIPR.

Sales History								
Year	Document #	Sale Type	Sale Date	Sold By	Sold To	Gross Price	Personal Property	Net Price
2019	2019R04478	Special Warranty Deed	10/30/2019	PHARMACANN LLC	IIP-IL 3 LLC	\$18,000,000.00	\$0.00	\$18,000,000.00
2018	2018R03424	Trustee Deed	8/16/2018	CHICAGO TITLE LAND TR CO	PHARMACANN LLC	\$1,753,500.00	\$0.00	\$1,753,500.00

However, according to pictures from Google Maps, we see that the property is still consisting of Steel Structures similar to ones built in 2015. Therefore, we find it suspicious that the price has gone up significantly from \$1.75M to \$18M, over 10x in just one year. We also see that the property is sold at a significant premium compared to the county's assessment value.

Below is the street view taken in June 2018.



Comparison of Google Eagle view:



We see that visible changes to the building occurred between May 2015 and April 2017, which is in line with the building permit information.

Building Permit Information						
Date	Number	Tag Descr	Tag Date	Amount	Reason	Back to top
10/27/2014	14-63	Completed	11/01/2015	2,250,000	New Bldg	
05/07/1992	I-59-92	Completed	01/01/1993	220,000	New Bldg	

Tax Information			
Tax Year	Assessed Value	Taxable Value	Net Tax
2018	\$361,115.00	\$361,115.00	\$36,135.88
2017	\$332,212.00	\$332,212.00	\$33,186.58
2016	\$313,704.00	\$313,704.00	\$31,513.62
2015	\$99,235.00	\$99,235.00	\$10,136.34

Our investigator visited the property in March 2020 and confirmed that minimal improvements have been made. We see construction to the right of the greenhouses, of what appears to be the early construction of an empty warehouse.



Again, we are deeply concerned with PharmaCann's financial performance.

Discount Treatment:

We are discounting the rent by 93% to 100% due to overpayment and potential default. We believe the previous purchase price \$1.75M is much more reflective of the true value of the property instead of the \$18M.

Sacramento CA Undisclosed Tenant

Core Issue:

Overpayment.

Transaction details:

On 02/08/2019, IIPR closed on the acquisition of a property in Sacramento California, comprising of 43,000 sq. ft. of industrial space for a purchase price of \$6.7M, offering up to \$4.8M in reimbursements for improvement.

Address:

We have identified the address of being 1 Light Sky Ct, Sacramento California, 95828. Parcel #: 06201500300000

Initial Terms:

We estimate 2020 rent for this property to be \$1.8M, representing a yield of 15.75%.

Independent due diligence:

We found it peculiar that IIPR did not disclose who their tenants were apart from saying they are an experienced operator who intends to operate the property as a license cannabis cultivation facility.

We located the property and reviewed its deed records. Google maps indicates that the property is occupied by a Hispanic cheese factory by the name Neustro Queso. Our on the ground due diligence did



For example, parcel 062-0120-032 was sold in 2018 for \$6.5M when assessor roll value was \$6.6M. Parcel 062-0140-013-0000 was sold for \$47M when its assessor's roll value was \$47M.

Our investigator confirmed that this was a growing operation, but was unable to identify who the tenants were. In addition, photos from March 2019 and March of 2020 don't show significant improvements to the building, apart from some fencing and electronics. However, it is clear that as of March 2019, one month after the purchase, there was no visible improvement to the facility to justify the \$4M increase in purchase price.

Google map street view dated May 2016.



Google map streets view dated March 2019



Pictures taken by investigator dated March 2020.



Discount Treatment:

We are discounting the rent by 36% due to overpayment. We believe that in this case the county assessor value of \$2.57M is a much better estimate of the value of the property and have adjusted rent projections accordingly.

Phoenix AZ The Pharm

Core Issue:

Overpayment.

Transaction details:

IIPR purchased the property from The Pharm LLC on 09/19/2019, for a price of \$2M. There was no PR statement for this purchase. We identify tenant improvement to be \$452,000.

Address:

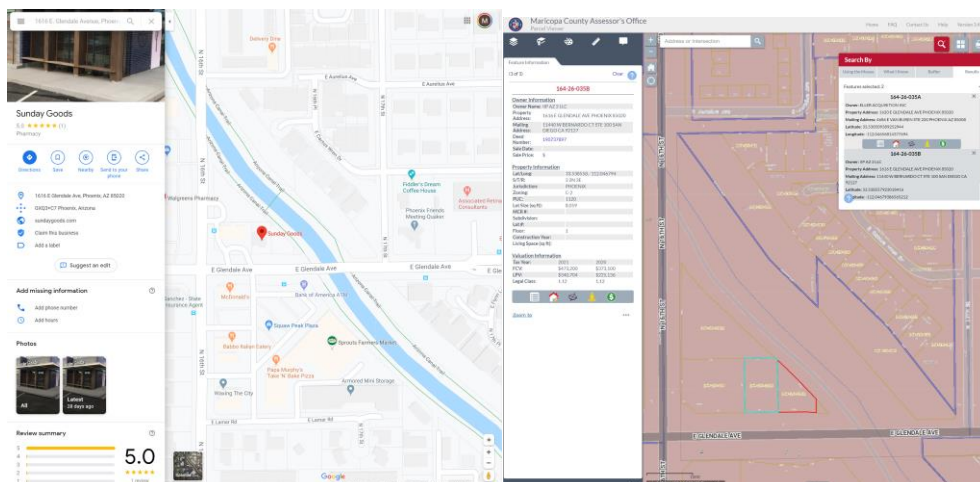
We have identified the address to be 1616 E. Glendale Avenue, Phoenix, Arizona. Parcel #: 164-26-035B

Initial Terms:

We estimate 2020 rent for this property to be \$373,000, representing a yield of 15.23%.

Independent due diligence:

According to [deed records](#), we have located the property to be at the 1616 E. Glendale Avenue, Phoenix, Arizona. The property is currently occupied by Sunday Goods, a retail cannabis store. This is confirmed through the county's parcel map.



The deed records also show that this property was previously purchased by The Pharm LLC from Mitchell D. Song for \$1.2M on 09/16/2019, merely three days before IIPR purchased it from The Pharm LLC. The price has gone up significantly by \$800K, or 67% in three days, representing an annualized return of 8151%.

We visited the store and discovered that it wasn't open. We confirmed this with the neighbors next door. A woman in the gas station suggests that they won't be open until end of March or April, but is highly suspicious even to this timeline due to the coronavirus. She also mentioned that the building was previously a pet veterinarian building knocked down in the March or April 2019.



Discount Treatment:

We are discounting the rent by 33% due to overpayment. We believe the previous purchase price of \$800,000 is much more reflective of the value of the property and we adjusted 2020 rent accordingly.



Litchfield IL Grassroots

Core Issue:

Overpayment.

Transaction details:

IIPR closed a deal on a property located in Litchfield, IL, comprising of 70,000 sq. ft. industrial space on 10/30/2019. The purchase price was \$10.5M, with reimbursement for improvement up to \$17.7M.

Address:

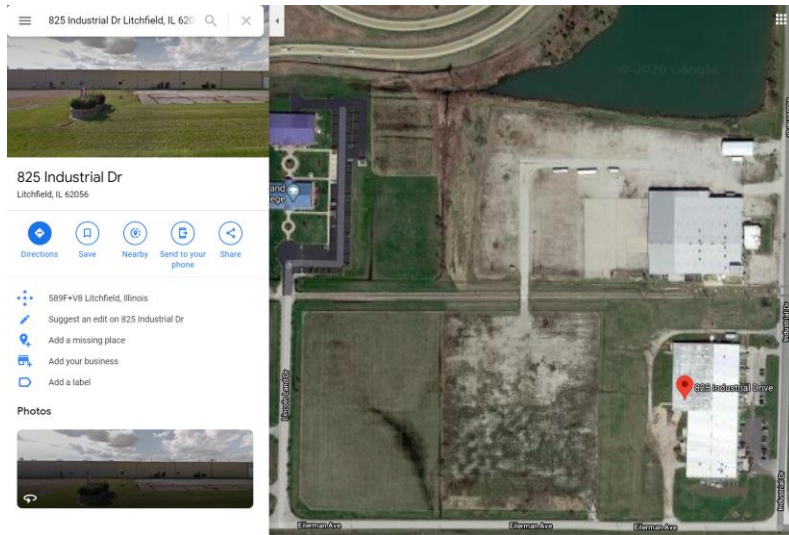
We have identified the address to be 825 Industrial Dr, Litchfield IL 62056

Initial Terms:

We estimate 2020 rent for this property to be \$1.8M, representing a yield of 15.23%.

Independent due diligence:

According to [deed records](#), the property was bought by HSGS properties from Harmac Development for \$1.05M on 2/1/2017. IIPR purchased it on 12/23/2019 for \$10.5M. We find this 10x growth in property value hard to believe especially considering over \$17.7M in improvements are still to go into the property shortly after the closing of the deal.



When comparing the county's valuation posted on its [county's parcel reports](#), we see that the 2017 sales value was only 2x the county's valuation, while IIPR's transaction well exceeds the 2019's county valuation by 40X.

Valuation

	2019	2018
+ Land/Lot	\$31,680	\$34,200
+ Buildings	\$469,950	\$507,290
+ Farm Land	\$0	\$0
+ Farm Buildings	\$0	\$0
= Total	\$501,630	\$541,490



Pictometry data also shows that the building has hardly changed at all from 2014 to 2018. We have strong suspicion that the sales price was significantly inflated for the IIPR deal.



Our investigator visited the property in March 2020 and confirmed that there were minor improvements to the building. However, we question how it is possible that the property price rose to \$10.5M.



Discount Treatment:

We are discounting the rent by 40% to 60% due to overpayment. We believe the previous purchase price of \$1.05M is much more reflective of the value of the property and have adjusted 2020 rent accordingly.



However, we acknowledge the possibility of some tenant improvements going into the building prior to IIPR's purchase and thus have not fully adjusted the purchase price back to its previous level (which would imply 80% discount).

Lansing MI Green Peak Industries

Core Issue:

Overpayment.

Transaction details:

IIPR purchased a property located at Lansing MI on 01/20/2020, for a price of \$1.63M.

Address:

We have identified the address to be 3318/3332 West Rd or 3315 Coolidge Rd. East Lansing, Michigan, 48823. Parcel #: 33-20-01-02-226-004

Initial Terms:

We estimate 2020 rent for this property to be \$266,763, representing a yield of 15.23%.

Independent due diligence:

According to deed records, Green Peak Industries LLC sold the property to IIPR for \$1.63M on 01/20/2020. The property is located at 3318/3332 West Rd or 3315 Coolidge Rd. East Lansing, Michigan. Green Peak Industries previously purchased in from Arrington Richard & Marian on 04/11/2019 for \$1.4M.

CORRECTION WARRANTY DEED

This **CORRECTION WARRANTY DEED** is made this 2nd day of January, 2020, between GREEN PEAK INDUSTRIES LLC, a Michigan limited liability company ("Grantor"), whose address is 10070 Harvest Park, Dimondale, MI 48825, and **IIP-MI 5 LLC**, a Delaware limited liability company ("Grantee"), whose address is 11440 West Bernardo Court, Suite 100, San Diego, California 92127 (the words "Grantor" and "Grantee" to include their respective successors and assigns where the context requires or permits), for the purpose of correcting an error in the prior Warranty Deed filed for record on October 31, 2019 as Instrument No. 2019-036815 which incorrectly stated the consideration as \$1,542,000 instead of \$1,630,000 for a difference of \$88,000.

WITNESSETH that Grantor, for and in consideration of the sum of One Million Six Hundred Thirty Thousand Dollars (\$1,630,000.00), the receipt, adequacy and sufficiency of which are hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto Grantee, to wit:

Tax Identification NO: 33-20-01-02-226-008 and 33-20-01-02-226-004

ADDRESS: 3318/3332 West Rd (3315 Coolidge Rd. recently assigned by the City of East Lansing)
East Lansing, Michigan 48823



☐ Sale History

[Back To Top](#)

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms of Sale	Liber/Page
01/20/2020	\$1,630,000.00	WD	GREEN PEAK INDUSTRIES LLC	IIP-MI 5 LLC	CONV	2020-003127
10/25/2019	\$1,542,000.00	WD	GREEN PEAK INDUSTRIES LLC	IIP-MI 5 LLC	CONV	2019-036815
04/11/2019	\$1,409,600.00	WD	ARRINGTON RICHARD & MARIAN	GREEN PEAK INDUSTRIES LLC	NOT USED ECF	2019-012748
01/03/2008	\$1.00	WD	ARRINGTON, RICHARD M AND MARIAN	ARRINGTON, RICHARD M & MARIAN A	NOT USED ECF	B3291 P1238

Our investigators could only find two seemingly abandoned residential houses located on 3318 and 3332.



We were able to find a Skymint store, which is a brand operated by Green Peak Industries, at 3315 Coolidge Road. However, the location was still under construction and not open to the public.





In addition, [county records](#) indicated that construction only began in 06/11/2019, two months after Green Peak's \$1.4M purchase.

Project Details: J19-0755
Property Address: 3315 COOLIDGE RD, EAST LANSING, MI 48823 | Parcel: [33-20-01-02-226-008](#)

Property Owner: IIP-MI 5 LLC

Summary Information
> 21 Item(s) Pending

Jump To: [Project Information](#) | [Project Items](#)

Project Information [Back To Top](#)

Project Number	J19-0755	Filed As	SKYMINT MMPC
Date Created	06/11/2019	Status	In Progress: 21 Item(s) Pending
Date Completed	No Data to Display		
Description	NEW BUILD		

Picture of ground up construction from county records.



Pictometry of empty land from county records.



This implies that Green Peak actually purchased an empty parcel of land for \$1.4M. The county's assessor office gave the land an assessed value of \$705,500. We consider this evidence that Green Peak purchased this land at a significant premium before selling to IIPR.

Discount Treatment:



We are discounting the lease due to overpayment, reflecting an adjustment of 60%. We believe \$705,500 is a much better estimate for the value of the property, due to it being an empty parcel of land at the time of purchase. The overall effect this treatment will have on the entire Green Peak MI – PF is a discount ratio of 7% due to the portfolio containing other properties.

Lansing MI Green Peak Industries

Core Issue:

None

Transaction details:

IIPR purchased a property from Green Peak Industries on 11/01/2019 for a price of \$2.225M.

Address:

We have identified the address to be 2508-2518 S. Cedar Street, City of Lansing, 48910. Parcel #: 33-01-01-28-256-082 and 33-01-01-28-256-072.

Initial Terms:

We estimate 2020 rent for this property to be \$364,139, representing a yield of 15.23%.

Independent due diligence:

According to [deed records](#), prior to the property being sold to IIPR for \$2.225M on 11/01/2019, Green Peak Industries purchased it from RLJFC LLC for \$550,000 on 03/04/2019. [County records](#) indicate that construction began on 08/16/2019.

Permit Details: PB19-1344
Property Address: 2508 S CEDAR ST, LANSING, MI 48910 | Parcel: [33-01-01-28-256-082](#)

Property Owner: IIP-MI 5 L L C

Jump To: [Permit Information](#) | [Contractor Information](#) | [Applicant Information](#) | [Owner Information](#) | [Licensee Information](#)

[Permit Information](#) [Back To Top](#)

Number	PB19-1344	Category	Remodel
Type	Building	Status	FINALED
Applied Date	08/16/2019	Expire Date	08/03/2020
Issue Date	08/21/2019	Finalized Date	02/05/2020
Work Description	Renovation of existing building for use as a Medical Marijuana provisioning center. Exterior work consists of demolition of old finish materials on north and east elevations, new siding on east and north elevations, new storefront openings and new metal awnings (as well as new building signage). Interior work consists of the demolition of most of the existing interior partitions, some plumbing fixtures, etc. (all existing columns to remain un-altered). New wall partitions, door systems, plumbing fixtures, RTU's etc. are proposed for the new use. This project contains very limited site work.		
Stipulations	Not Available		

We obtained pictures of the property as of different dates.

Picture from Google Maps taken in September 2019.



Picture from county records taken in December 2019.



Picture our investigator took in March 2020.





We believe this property's purchase price can be justified due to the visual improvements to the property.

Discount Treatment:

None. We give IIPR full credit for this lease.

Monson MA Holistic Industries

Core Issue:

Bizarre Lease terms and overpayment

Transaction details:

IIPR purchased a property comprising of 55,000 sq. ft. for a purchase price of \$12.75M on 07/12/2018.

Initial Terms:

The lease provides for an initial annualized aggregate base rent of \$1,912,500, which is equivalent to 15% of the purchase price of the property. The aggregate base rent is subject to 3.25% annual increases during the term of the lease, and Holistic is also responsible for paying the Company a property management fee equal to 1.5% of the then-current aggregate base rent.

Address:

We have identified the address to be 96 Palmer Road Monson MA.

Independent due diligence:

According to [deed records](#), IIPR purchased the property from 3G Management LLC on 07/12/2018 for \$12.75M. 3G management LLC previously purchased the property from Northeast Investment on 05/23/2016 for \$825,000.

QUITCLAIM DEED

3G MANAGEMENT LLC ("Grantor"), a duly organized and validly existing Massachusetts limited liability company, with its principal place of business at 96 Palmer Road, Monson, Massachusetts 01057, hereby grants and conveys to **IIP-MA 2 LLC** ("Grantee"), a duly organized and validly existing Delaware limited liability company, with a business address of 11440 West Bernardo Court, Suite 220, San Diego, CA 92127, for and in good consideration paid of Twelve Million Seven Hundred Fifty Thousand and 00/100 (\$12,750,000.00) Dollars, with quitclaim covenants the following:

Massachusetts



WARRANTY DEED

Northeast Investments LLC, an Illinois Limited Liability Company, with an address of 3330 Skokie Valley Road, Suite 301, Highland Park, IL 60035 (hereinafter “Grantor”) hereby grant and convey with warranty covenants to **3G Management, LLC**, of 308 Massachusetts Ave, NE Washington DC 20002 (hereinafter “Grantee”) for and in good consideration paid of Eight Hundred Twenty-Five Thousand Dollars (\$825,000.00) that certain parcel of land together with the improvements thereon known as **96 Palmer Road in the Town of Monson**, County of Hampden, Commonwealth of Massachusetts, being more particularly bounded and described as follows:

What’s worth noting is that IIPR’s purchase was actually in the form of a quitclaim deed which typically only transfers the grantor’s interest in a piece of real estate, whereas 3G Management’s purchase was in the form of a warranty deed which guarantees the transfer of legal title and rights to the real estate.



In addition, according to a [lease agreement](#) between Holistic and 3G Management LLC, Holistic previously only paid an annual rent of \$225,000 to \$257,263 on the same property.



2. TERM AND RENT

a. Landlord leases the Demised Premises to Tenant for a term of ten (10) years commencing **January 1, 2017** ("Lease Commencement Date") and ending **December 31, 2026** ("Lease Expiration Date"), subject to Tenant's renewal option. Landlord shall deliver the Premises to Tenant on the Lease Commencement Date and Tenant expressly acknowledges and agrees that it is obligated to accept the Premises in their current "as is" condition on the Lease Commencement Date.

b. Tenant shall pay base rent ("Base Rent") without deduction or offset, on the first day of each month of the Lease term as set forth in this Section 2(b), on a monthly basis, and as set forth in Section 20 if Tenant elects to extend the term. Rent shall increase 1.5% at the end of each lease year, according to the following schedule.

<u>Year</u>	<u>Annual Rent</u>
1	\$225,000.00
2	\$228,375.00
3	\$231,800.62
4	\$235,277.62
5	\$238,806.78
6	\$242,388.88
7	\$246,024.71
8	\$249,715.08
9	\$253,460.80
10	\$257,262.71

We find it difficult to believe that Holistic would rather pay 10X the previous rent they were paying, unless they were getting something else. We believe this is overwhelming evidence that IIPR is overpaying the properties to extend additional capital to the tenant, meanwhile tenant brings additional income to the company through inflated rental income.

Discount Treatment:

We are discounting the 2020 revenue by 81% due to overpayment and previous lease agreements. We believe that the previous purchase price of \$825,000 is much more reflective of the value of the property.

Akron OH Vireo

Core Issue:

Potential default.

Transaction details:

IIPR purchased a property located in Akron Ohio on for \$1,018,112 on 05/14/2019.

Initial Terms:

We estimate 2020 rent for this property to be \$511,560, representing a yield of 14.41%.



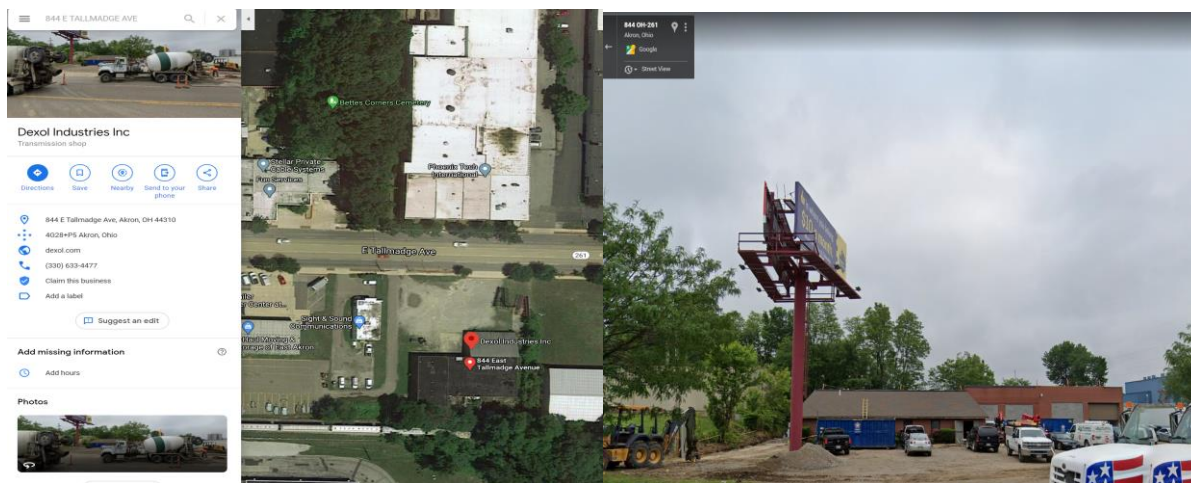
Address:

We have identified the address to be 844 E Tallmadge Ave, Akron, OH 44310. Parcel #6700243

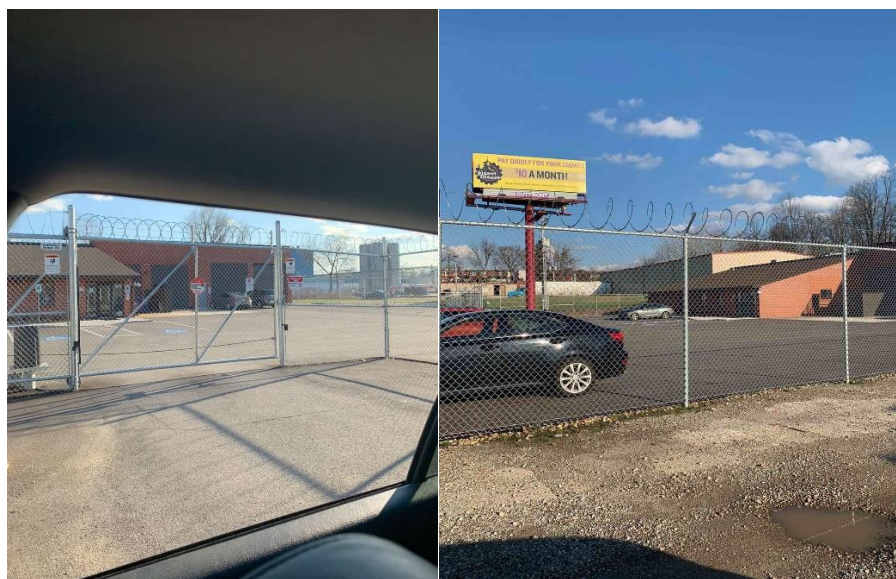
Independent due diligence:

[Deed records](#) show that IIPR purchased the property from Ohio Medical Solutions, a subsidiary of Vireo for \$1,018,112 on 05/14/2019. Ohio Medical Solutions previously purchased the property from Yacoub Ghosn Management LLC on 01/30/2019 for \$550,000. [Property assessment report](#) appraises the property at a total value of \$188,890.

[A news report](#) suggested that the property was going to be used as a medical marijuana processing facility.



Our investigator visited the facility and confirmed that it began operation in January of this year.



Discount Treatment:



Due to the dire financial status of the tenant, under the good case, we apply a 20% discount. Under the bad case, we discount 2020 rent by 65% due to potential default and their cash burn of around 4 months.

Pittsburgh PA Maitri Genetics

Core Issue:

Overpayment (Potential)

Transaction details:

IIPR acquired a property comprising of 51,000 sq. ft. for a purchase price of \$6.3M on 04/24/2019, and offers up to \$10M in reimbursements for improvements.

Address:

We have identified the address to be located at 120 Beta Drive, O'Hara Township, Allegheny, PA.

Initial Terms:

We estimate 2020 rent for this property to be \$1.64M, representing a yield of 15.23%.

Independent due diligence:

According to [deed records](#), IIPR purchased the property from BDPD LLC for \$6.26M on 04/23/2019. BDPD LLC purchased the same deed from W Granger Inc on 11/14/2018 for \$3.45M.

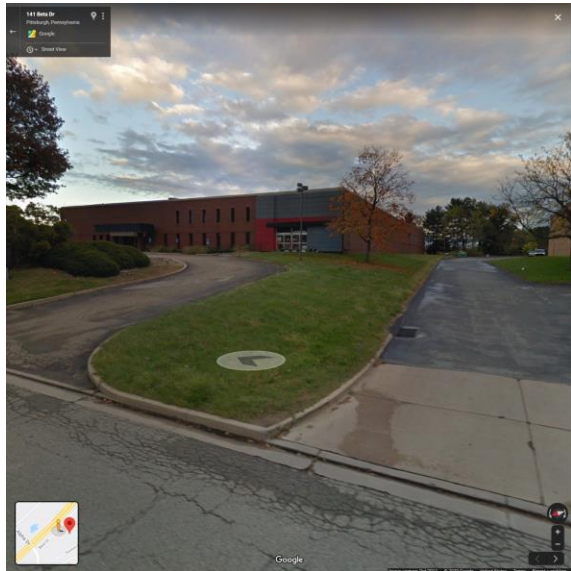
[County records](#) indicate that the assessed value for the property is \$5.4M as of 2020. Assuming renovation went into the property after BDPD LLC's purchase, the property is still overpaid by 16%.

GENERAL INFORMATION	BUILDING INFORMATION	TAX INFO #BILL / #PAY	OWNER HISTORY	IMAGE	COMPARABLES	APPEAL STATUS	MAPS
Parcel ID : 0292-E-00080-0000-00		Municipality : 931 O'Hara					
Property Address : 120 BETA DR. PITTSBURGH, PA 15238		Owner Name : IIP-PA 2 LLC					
School District :	Fox Chapel Area	Neighborhood Code :	55C17				
Tax Code :	Taxable	Owner Code :	Corporation				
Class :	Commercial	Recording Date :	4/25/2019				
Use Code :	OFFICE/WAREHOUSE	Sale Date :	4/23/2019				
Homestead :	No	Sale Price :	\$6,250,000				
Farmstead :	No	Deed Book :	17592				
Clean And Green :	No	Deed Page :	383				
Other Abatement :	No	Lot Area :	3.5120 Acres				
2020 Full Base Year Market Value		2020 County Assessed Value					
Land Value	\$457,700	Land Value	\$457,700				
Building Value	\$4,942,300	Building Value	\$4,942,300				
Total Value	\$5,400,000	Total Value	\$5,400,000				
2019 Full Base Year Market Value		2019 County Assessed Value					
Land Value	\$457,700	Land Value	\$457,700				
Building Value	\$4,942,300	Building Value	\$4,942,300				
Total Value	\$5,400,000	Total Value	\$5,400,000				
Address Information							
Owner Mailing :	11440 W BERNARDO CT STE 100 SAN DIEGO, CA 92127-1642						



Our investigator confirmed that this location is currently operating as a cannabis growth and processing facility. However, compared to Google map street view taken in October 2017, we do not see significant improvements.

Picture from Google street view dated October 2017.



Pictures from investigators dated March 2020. We do not see visible changes apart from a new set of fencing and surveillance cameras. However, IIPR disclosed that over \$4.5M has been put into tenant improvements as of December 2019.





Discount Treatment:

We are discounting 2020 rent by 0%-8% based on the potential overpayment. Under the bad case, we believe the current county value \$5.2M is much more reflective of the value of the property.

Southern California Undisclosed tenants

Core Issue:

Overpayment, undisclosed tenants.

Transaction details:

IIPR acquired a five-property portfolio in southern California, comprising 102,000 sq. ft. of industrial space on 04/16/2019 for a total purchase price of \$27.1M.

Address:

We identify three properties to be located at 1717 E Vista Chino A7 Palm Springs CA and 3535 N Anza Rd, Palm Springs CA.

Initial Terms:

We estimate 2020 rent for this property to be \$1.8M, representing a yield of 15.23%.

Independent due diligence:

According to Riverside County [deed records](#), IIPR purchased three properties on 04/16/2019 from a Radio P S properties LLC, an entity controlled by Michael King, a 19th P.S. Properties LLC and an Extension Management LLC.

Records indicate that IIPR purchased a property from Radio P S Properties LLC for \$6.3M on 04/16/2019. The property is located at 3535 N Anza Rd Palm Springs, CA 92262. This property was previously purchased from Dardashti Shervin on 05/17/2016 for \$3.26M.

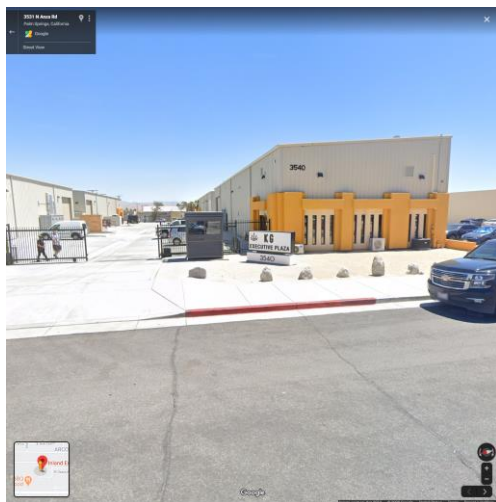
We have identified the tenant to be [Kings Garden Inc.](#) The facility is used for cultivation of cannabis, according to a [city council staff report](#).





IIPR purchased another property on 04/16/2019 from Extension Management LLC, an entity also controlled by Michael King for \$5.8M. The property was previously purchased from Burgess Family Trust on 1/24/2017 for \$2.5M.

The property is located at 3540 N Anza Road, Palm Spring, located directly opposite of the previous property.



IIPR purchased another property from 19th PS Properties LLC, another entity controlled by Michael King for \$15M on 04/16/2019. The property was previously purchased from Bryant Investments for \$1.5M on 04/25/2018.

The property is located at 63795 19th Ave Palm Spring, CA.

The property was previously [a vacant Fedex Ground](#) in 2015.

63795 19th Ave
Palm Springs, CA 92262 - Industrial For Sale

Create Report - Print



Google maps confirms that there is an industrial warehouse.



Overall, the three properties were purchased for \$7.26M before being flipped to IIPR for over \$27M, a whopping 73% appreciation.

Discount Treatment:

We believe the sum of the previous purchase price \$7.26M is much more reflective of the value of the properties, implying a potential overpayment of up to 73%, but we give the company benefit of the doubt for potential improvements made, hence discounted 2020 rent revenue by 40% to 60% due to overpayment.

[Will County IL Cresco](#)

Core Issue:

Overpayment, potential default.

Transaction details:

IIPR purchased two cultivation and processing facilities from Cresco Labs in IL for a purchase price of \$46.3M. The facilities total 100,000 sq. ft.

Address:

We identified one property to be located at 23224 Centerpoint Way/3301 Centerpoint Way, Joliet, IL 60436.

Initial Terms:

We estimate 2020 rent for this property, along with the following property in Kankakee to be \$5.4M, representing a yield of 15.23%.

Independent due diligence:



[Deed records](#) indicate that the property was purchased by IIPR from Joliet Production LLC for \$20.7M on 10/22/2019. Previously Joliet Production LLC purchased the property from Annette M. Bates for \$1.75M on 04/08/2015.

According to the a [PR statement](#), Joliet Production LLC is a subsidiary of Cresco. [County documents](#) showed that shortly after the purchasing of the property, Joliet Production LLC filed a mortgage document on 11/09/2015 for \$5.5M. About a year later on 03/18/2016 and 05/04/2016, two mechanic's liens were filed for \$106,000.

DataSource: Will, IL						
Criteria: Party Name = JOLIET PRODUCTION						
Session :\$ 10.90 Receipt						
Last Indexed Date: 03/12/2020						
RecDate	DocDate	DocNumber	DocType	Last Name	First Name	Party Type
12/06/2019	10/22/2019	R2019087952	SPECIAL ...	JOLIET PRODUCTION LL...		GRANTOR
12/06/2019		P2019087952	MYDEC	JOLIET PRODUCTION LL...		GRANTOR
11/13/2019	11/12/2019	R2019081210	MORTGAGE...	JOLIET PRODUCTION LL...		GRANTEE
03/22/2019	03/20/2019	R2019016496	MORTGAGE...	JOLIET PRODUCTION LL...		PARTY 3
05/04/2016	04/28/2016	R2016032843	MECHANIC...	JOLIET PRODUCTION LL...		GRANTEE
03/18/2016		R2016019961	MECHANIC...	JOLIET PRODUCTION LL...		GRANTEE
11/09/2015	11/05/2015	R2015097203	SUBORDIN...	JOLIET PRODUCTION LL...		GRANTOR
11/09/2015	11/05/2015	R2015097202	ASSIGNME...	JOLIET PRODUCTION LL...		GRANTOR
11/09/2015	11/05/2015	R2015097201	MORTGAGE	JOLIET PRODUCTION LL...		GRANTOR
09/22/2015	08/19/2015	R2015081300	EASEMENT	JOLIET PRODUCTION LL...		GRANTEE
04/08/2015	03/27/2015	R2015029235	WARRANTY...	JOLIET PRODUCTION LL...		GRANTEE
04/08/2015		P2015003060	PTAX FOR...	JOLIET PRODUCTION LL...		GRANTEE

A Mechanic's lien is a legal document that reserves the right for the filer to seek unpaid compensation. Typically mechanic liens arise when one party feels they've been treated unfairly. In this case, either Cresco is not honoring payments to its contractors or Cresco feels like they've been overcharged for the construction of the property, which would either imply Cresco having a history of not honoring payments or that construction was not worth \$5.5M, which make us question how the \$20M IIPR paid are justifiable.

In addition, Cresco [disclosed](#) its affiliated parties.

The Joliet lease commenced in December 2015, the Lincoln lease commenced in February 2016, and the Kankakee lease commenced in April 2016. The terms of these lease agreements are fifteen years from the commencement date. Rent expense for these facilities was approximately \$1,047,000 and \$1,047,000 for the three months ended September 30, 2018 and 2017, respectively, and \$3,140,000 and \$3,133,000 for the nine months ended September 30, 2018 and 2017.

Assuming each property is of generally the same size, this would imply that Cresco would pay around \$115,000 per month for its current lease in 2017 and 2018. Assuming an annual 15% yield (comparable to what IIPR is charging) on its investment, this would imply a valuation of \$9.2M for the facility. This is at a 50% discount to what IIPR is paying. We fail to see how this is reasonable. (Please see next property for a more accurate depiction of the overall overpayment)

Our investigator visited the property in March 2020 and confirmed that there was a production facility.



Discount Treatment:

This property is disclosed in conjunction with the following property (Kankakee IL Cresco) as the Cresco IL – Portfolio. As part of the Cresco IL portfolio, we discounted 2020 rent revenue by 48% due to overpayment. We believe the total value of the two properties derived from previous lease terms \$18.4M better reflects the value of the properties.

[Kankakee IL Cresco](#)

Core Issue:

Miss-matching payment amounts, overpayment and potential default.

Transaction details:

IIPR purchased two cultivation and processing facilities from Cresco Labs in IL for a purchase price of \$46.3M. The facilities total 100,000 sq. ft.

Address:

This is the second property in the PR announcement. We identify the address to be 3625 South US Highway 45/52, Kankakee, IL, 60901. Parcel #: 13-17-20-300-003.

Initial Terms:

We estimate 2020 rent for this property, along with the previous property in Will County to be \$5.4M, representing a yield of 15.23%.

Independent due diligence:

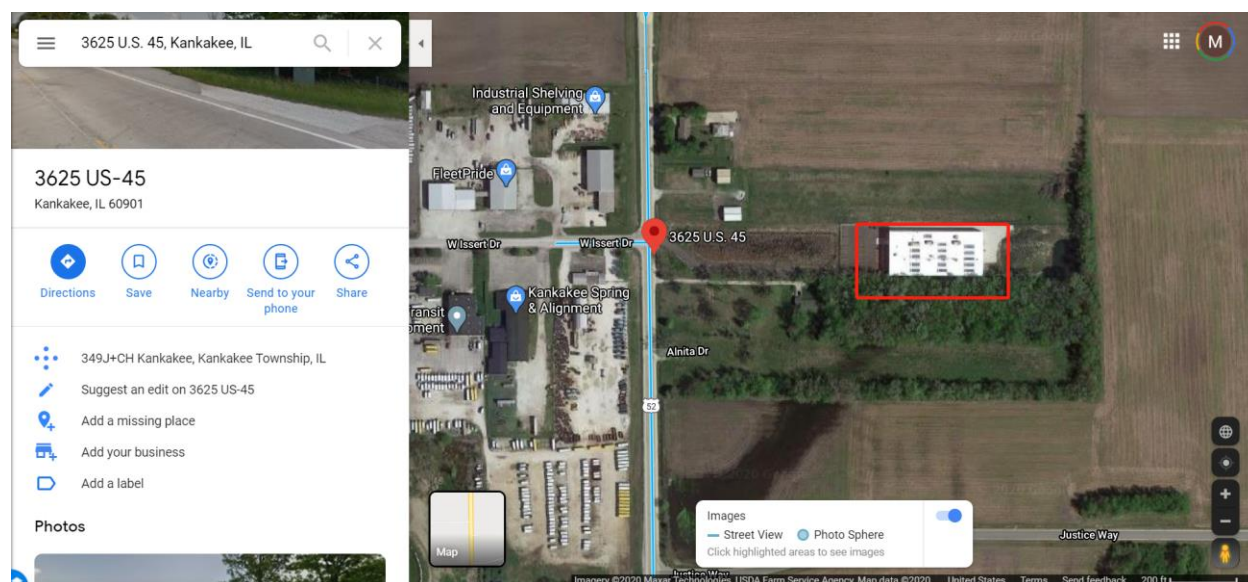


Based on the information on the previous parcel (purchase price of \$20.7M), this would imply the Kankakee purchase price to be \$25.6M. However, according to [deed records](#), IIPR only paid \$12.1M. IIPR correctly disclosed the total investment amount in their 10k to be \$32.8M.

Property	State	Year Built/ Renovated	Initial Costs	
			Land	Building and Improvements
Cresco IL Portfolio	Illinois	Various (3)	3,215	29,601

Consistent with the prior analysis, the two properties together should be valued around \$18.4M, which is about 56% of the price IIPR paid.

The address corresponds to an unknown building on Google maps. [County parcel map](#) validates this.



Discount Treatment:

This property is disclosed in conjunction with the previous property (Will County IL Cresco) as the Cresco IL – Portfolio. As part of the Cresco IL portfolio, we discounted 2020 rent revenue by 48% due to overpayment. We believe the total value of the two properties derived from previous lease terms \$18.4M better reflects the value of the properties.

Toledo OH Green Thumb Industries LLC

Core Issue:

None

Transaction details:

IIPR purchased a property from Green Thumbs Industries located at Toledo OH for a purchase price of \$2.9M on 02/03/2020, and provides reimbursement for improvement up to \$4.3M.



Address:

We identify the address to be 5835 Jason Street, Toledo, OH 43611. Parcel #: 2288925

Initial Terms:

We estimate 2020 rent for this property to be \$400,397, representing a yield of 15.23%.

Independent due diligence:

[County records](#) show that IIPR purchased the property from 0 Jason Street LLC on 01/31/2020 for \$2.9M. 0 Jason Street LLC previously purchased the property from GM Ohio Holdings LLC for \$200,000 on 04/02/2019. GM Ohio Holdings LLC purchased the property from North Cross Development on 10/08/2013.

PARCEL ID: 2288925 ASSESSOR#: 10256025
MARKET AREA: 5001C ROLL: RP_OH
IIP-OH 4 LLC 5835 JASON ST
TAX YEAR: 2020 STATUS: Active

Transfer Date	Price	Trans#	Seller	Buyer	Instrument
03-FEB-2020	\$2,900,000	20100689	0 JASON STREET LLC AN OHIO LLC	IIP-OH 4 LLC	LW-LIMITED WARRANTY DEED
02-APR-2019	\$200,000	19102013	GM OHIO REAL ESTATE HOLDINGS LLC AN OHIO	0 JASON STREET LLC AN OHIO LLC	WD-WARRANTY DEED
08-OCT-2013	\$96,000	13107319	NORTH-CROSS DEVELOPMENT COLTD AN OHIO LI	GM OHIO REAL ESTATE HOLDINGS LLC AN OHIO	GW-GENERAL WARRANTY

Transfer Details 1 of 3 >

Transfer # 20100689
Sales Date 03-FEB-20
Date of Closing 20-JAN-20
Sale Amount \$2,900,000
Conveyance Fee 11,600.50
Legal Desc. NORTH CROSS PLAT THREE LOT 16
Acres 8.3249
Number of Parcels 1
Property Address 5835 JASON ST TOLEDO OH 43611
Purchaser (Grantee) IIP-OH 4 LLC
Seller(Grantor) 0 JASON STREET LLC AN OHIO LLC
Sale Type LAND
Note 1
Note 2

Conveyance Document

Our investigator visited the property in March 2020 and confirmed that construction was currently underway. A [posting](#) indicated that construction began in August 2019.



**Discount Treatment:**

We believe the purchase price can be justified and do not discount the revenue.

Scranton PA Vireo

Core Issue:

Potential default.

Transaction details:

IIPR purchased a property located in Scranton PA, comprising 89,000 sq. ft. of industrial space on 04/09/2018 for a purchase price of \$5.8M, offering \$2.8M in reimbursement for improvements.

Address:

We identify the address to be 2000 Rosanna Ave, Scranton PA

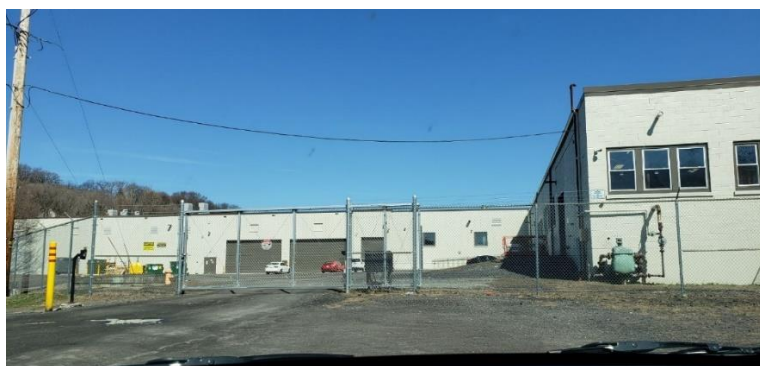
Initial Terms:

The initial term of the lease is 15 years, with two options to extend the term for two additional five-year periods. The lease provides for an initial annualized aggregate base rent equal to 15% of the sum of the purchase price of the property and the TI Allowance. The aggregate base rent is subject to annual increases of 3.5% during the term of the lease.

Independent due diligence:

[Deed records](#) show that the property was purchased by IIPR from Pennsylvania Medical Solutions for \$5.76M on 04/10/2018. Prior to that, the same deed was purchased by Pennsylvania Medical Solutions from Hinkley Jesse J for \$2M on 11/17/2017.

Our investigator visited the property and confirmed that this is a marijuana growth and processing facility.

**Discount Treatment:**

Due to the dire financial status of the tenant, under the good case, we apply a 20% discount. Under the bad case, we discount 2020 rent by 65% due to potential default and their cash burn of around 4 months.



Los Angeles CA DYME

Core Issue:

Tenant defaulting

Transaction details:

IIPR purchased a Los Angeles Cannabis campus for \$13M on 07/23/2019, with \$2M in reimbursement for improvements.

Address:

We identify the address as 1500 Esperanza Street, Los Angeles, CA 90023

Initial Terms:

We estimate 2020 rent to be \$1.76M, representing a 13.53% yield.

Independent due diligence:

According to [deed records](#), the property was purchased for \$13,000,130

AIN: 5192-005-010

Site Address: 1504 ESPERANZA ST, LOS ANGELES CA 90023-3933

Use Type: Industrial
Parcel Type: Regular Fee Parcel
Tax Rate Area: 12704

Parcel Status: ACTIVE
Create Date: 11/09/2016
Delete Date:
Tax Status: CURRENT
Year Defaulted:
Exemption: None

Building (BIM) & Land Overview:
Use Code: 330X
of Units: 0
Year Built: 1947
Design Type: 301X
Beds/Baths: 0/0
Effective Year: 1947
Quality Class: SI
Building SqFt: 0
Land SqFt: 79,696

	2020 Roll Preparation	2019 Current Roll	RC	Year	2017 Base Value
Land	\$ 5,483,260	\$ 5,375,746	7	2017	\$ 5,167,800
Improvements	\$ 4,730,865	\$ 4,638,103	7	2017	\$ 4,458,000
Total	\$ 10,214,125	\$ 10,013,849			\$ 9,625,800

Assessor's Responsible Division:
District: East District Office
Region: 27
Cluster: 27573 VERNON N

East District Office:
1190 Durfee Ave.
South El Monte, CA 91733

Phone: (626) 256-6001
Toll Free: 1 (888) 807-2111
M-F 7:30 am to 5:00 pm

Events History

Transaction Date	Acq #	Re-Assessed	Doc #	APN	APN	Doc Year	Doc Reason	# Parcels	%	Vec Code	NTY Code	Assessed Value
07/23/2019	75	Yes	0717333	3	5	Y	A	1	100%-0	K	\$	13,000,130
07/23/2019	25	Yes	0717332	3	5	Y	A	1	100%-0	K	\$	0
10/31/2016	50	Yes	1343230	3	5	H	A	1	100%-0	1	\$	9,625,000

Assessment History

Bill Number	Bill Type Status	Bill Date Created	Date to Auditor	Recording Date	Seq #	Doc #	Doc Type Reason	OC1	OC2	%	Total Value	Land Value	Reason Code	Base Improvement Value	Reason Code	Base Value	
220-PSEIC				07/23/2019	75	0717333	Y	A	3	5	100%-0	\$ 10,214,125	\$ 5,483,260	7	2017	\$ 4,730,865	7
2190200	T	10/27/2016	0	07/23/2016	75	0717333	Y	A	3	5	100%-0	\$	\$	0	\$	0	0

The corresponding deed record showed a city transfer tax of \$58,500, implying a tax rate of 0.45%. The property was purchased from a Herban Industries Inc on 07/18/2019.



RECORDING REQUESTED BY:



ORANGE COAST TITLE COMPANY

AND WHEN RECORDED MAIL TO:

IIP-CA 3 LP
11440 West Bernardo Court, Suite 220
San Diego, California 92127
Attn: General Counsel

APN: 5192-005-010

2014060

4

The undersigned grantor(s) declare(s)
Documentary transfer tax is \$14,300.00 / L.A. County and \$58,500.00 / City of Los Angeles
(X) computed on full value of property conveyed, or
() computed on full value less value of liens or encumbrances remaining at time of sale,
() Unincorporated Area (X) City of Los Angeles

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, HERBAN INDUSTRIES, INC., a Delaware corporation ("Grantor"), hereby grants to IIP-CA 3 LP, a Delaware limited partnership ("Grantee"), the following described real property in the County of Riverside, State of California (the "Property"): *Los Angeles*

The property was purchased by Herban from MM Esperanza 2 LLC on 07/19/2019, we consider these transactions concurrent. Deed record transfer tax implies that the transaction price was also \$13M.

RECORDING REQUESTED BY:



ORANGE COAST TITLE COMPANY

AND WHEN RECORDED MAIL TO:

IIP-CA 3 LP
11440 West Bernardo Court, Suite 220
San Diego, California 92127
Attn: General Counsel

APN: 5192-005-010

2014060

4

The undersigned grantor(s) declare(s) \$14,372.70 \$58,801.50
Documentary transfer tax is \$14,300.00 / L.A. County and \$58,500.00 / City of Los Angeles
(X) computed on full value of property conveyed, or
() computed on full value less value of liens or encumbrances remaining at time of sale,
() Unincorporated Area (X) City of Los Angeles

The property was previously purchased by MM Esperanza 2 LLC from Tom Sang Lee on 11/02/2015. The transfer tax of \$21,847.5 implied that the property was \$4.9M.

THIS SPACE FOR RECORDER'S USE ONLY: (M)

Title Order No.: 1393033 Escrow No.: 02-024650-GH
AP#: 5192-005-003 GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) \$5,340.50 (20) \$21,847.50 (44)
DOCUMENTARY TRANSFER TAX is / CITY TRANSFER TAX /
[X] computed on full value of property conveyed, or
[] computed on full value less value of liens or encumbrances remaining at time of sale.
[] Unincorporated area [X] City of Los Angeles AND

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Tom Sang Lee, a Married Man, as his sole and separate property

hereby GRANT(s) to:

MM Esperanza 2, LLC, a California Limited Liability Company

the real property in the City of Los Angeles, County of Los Angeles, State of California, described as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

Also Known as: 1500 Esperanza Street, Los Angeles, CA 90028

Dated November 2, 2015

Tom Sang Lee

County assessment histories show that the property is worth \$10M, compared to the \$13M IIPR is paying.



Assessment History

Show All: Hide Inactive Rolls:

Showing 1 to 7 of 7 entries.

Roll Detail													Real Property Value						
Bill Number	Bill Type	Bill Status	Date Created	Date to Auditor	Recording Date	Seq #	Doc #	Doc Type	Doc Reason	OC1	OC2	%	Total Value	Land Value	Reason Code	Base Improvement Value	Year	Reason Code	Base Year
+ 220-PSEGE					07/23/2019	75	0717333	Y	A	3	5	00%-0	\$ 10,214,125	\$ 5,483,260	7	2017	\$ 4,730,865	7	2017
+ 2190200	T		10/27/2019	0	07/23/2019	75	0717333	Y	A	3	5	00%-0	\$	\$		0			0
+ 2190100	T		10/27/2019	0	07/23/2019	25	0717332	Y	A	3	5	00%-0	\$	\$		0			0
+ 2190000	R	A	07/01/2019	07/01/2019	10/31/2016	50	1343239	H	A	3	5	00%-0	10,013,849	5,375,746	7	2017	4,638,103	7	2017
+ 2180000	R	A	07/19/2018	07/19/2018	10/31/2016	50	1343239	H	A	3	5	00%-0	9,817,500	5,270,340	7	2017	4,547,160	7	2017
+ 2170000	R	A	03/11/2018	0	10/31/2016	50	1343239	H	A	3	5	00%-0	9,625,000	5,167,000	7	2017	4,458,000	7	2017
+ 2160200	W	W	03/11/2018	0	10/31/2016	50	1343239	H	A	3	5	00%-0	9,625,000	5,167,000	7	2017	4,458,000	7	2017

We believe this 2x increase in price within 4 years in Los Angeles, CA could be justified.

The address belongs to a Chill Supply Co., a retail cannabis store operating under DionyMed. According to [PR statement](#), DionyMed received a provisional retail license from the California Bureau of Cannabis Control under its subsidiary Gourmet Green Room, Inc., for recreational and medical sales in its dispensary located at 1500 Esperanza Street in Los Angeles. However, in another [statement](#), a 1.83 acre Los Angeles cannabis campus was sold to IIPR for \$13M. IIPR did not disclose DionyMed’s property as a retail location in their 2019 10K. GIS Map also confirms that the transacted parcel is of 1.83 acres.

GIS-NET Public
DEPARTMENT OF REGIONAL PLANNING
Planning & Zoning Information
FOR UNINCORPORATED L.A. COUNTY

AIN: 5192005010

Navigation Find Draw Measure Tasks Links Help

Identify Parcels Identify Visible Multipoint Point Freehand Line Polygon Rectangle Query Filter

Identify Options Identify Analysis

AIN: 5192005010

Warehousing, Distribution, Storage

Tax Rate Area (TRA) 12704

Tax Rate City LOS ANGELES

Design Type 301X

Year Built Building 1 1947

Units Building 1 0

Bedrooms Building 1 0

Bathrooms Building 1 0

Effective Year Building 1 1947

SQFT Building 1 0

SQFT Building 2 4,900

SQFT Building 3 18,358

SQFT Building 4 14,337

SQFT Building 5 N/A

Recording Date 20190723

Recording Document Number 717333

Site Full Address 1454 ESPERANZA ST LOS ANGELES CA 90023

Roll Year 2019

Roll Land Value \$5,375,746

Roll Improvement Value \$4,638,103

Roll Land Base Year 2017

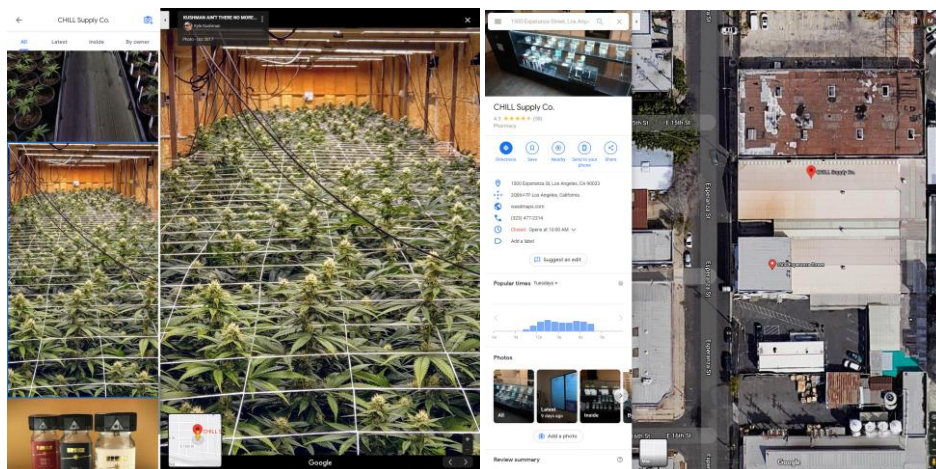
Roll Improvement Base Year 2017

SQFT 79,666

Legal Description UNION PACIFIC TRACT LOTS 9, 10, 11, 12 AND AN UNDIVIDED LOT 1.83 ACRES

Acres 1.83

We have reason to believe that the select assets and 1.83 acre Los Angeles cannabis campus are actually the same property. However, we question how they are able to produce and cultivate cannabis when they only received license for retailing. Photos shared by people on Google Maps clearly indicate that Marijuana is grown there.



More disturbingly, as IIPR disclosed, the tenant has defaulted on its rental payment as of Jan 2020. In fact, according to [a report](#), the public company has stopped trading and is proceeding to bankruptcy. We feel it is highly unlikely IIPR will ever receive payment from DionyMed.

Discount Treatment:

We discount 2020 rent revenue by 100% due to tenant defaulting.

Pike County IL Ascend Wellness

Core Issue:

Overpayment

Transaction details:

IIPR purchased a property from Ascend Wellness at Pike County IL for a purchase price of \$19M on 12/20/2018, comprising of 75,000 sq. ft. of industrial space. IIPR is offering reimbursement of up to \$6M.

Address:

We identify the address to be One 310th Avenue, Barry, Illinois. Parcel #: 46-027-07G/H

Initial Terms:

We estimate 2020 rent to be \$5.1M, representing a 15.75% yield.

Independent due diligence:

[Deed records](#) show that IIPR purchased a property from Ascend Wellness at Pike County IL for a purchase price of \$19M on 12/20/2018.



File 1821687 ①

PRAIRIE TITLE
6821 W. NORTH AVE.
OAK PARK, IL 60502



Pike Co., Illinois - Natalie P. Roseberry Recorder

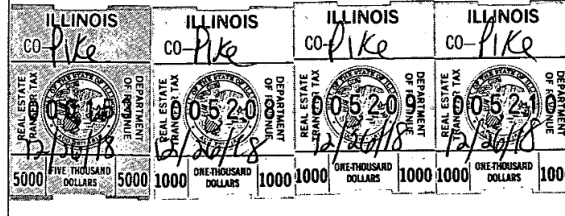
Book: 878 Page: 150

Receipt #: 29527 Recording Fee: \$75.00
Doc#: 2018-2589 Sale Price: \$19,000,000.00
Pages Recorded: 4 County Real Estate Tax: \$9,500.00
HSP Included: 12/26/2018 3:06:39 PM: \$10.00

Date Recorded: 12/26/2018 3:06:38 PM

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS that ASCEND BARRY, LLC, an Illinois limited liability company, having an address of 137 Lewis Wharf, Boston, MA 02110 ("Grantor"), for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt whereof is hereby acknowledged, hereby GRANTS



and CONVEYS to IIP-IL 1 LLC, a Delaware limited liability company, having an address of 11440 West Bernardo Court, Suite 220, San Diego, California 92127 ("Grantee"), the following described premises situated in Pike County, Illinois:

Legal Description Attached Hereto as Exhibit A

Address of Property: One 310TH Avenue, Barry, Illinois

Permanent Index Number: 46-027-07G, 46-027-07H

Prior to that on 06/27/2018, ICC Holdings LLC gave the property to Ascend Barry LLC for free through a quit claim deed. What's worth noting is that ICC Holdings LLC and Ascend Barry LLC had the exact same address. We have reason to believe they are the same company.

PREPARED BY:

ICC Holdings, LLC
360 W Butterfield Rd., Suite 280
Elmhurst, IL 60126
Attn: Abdul Kadir
Mohamed

**AFTER RECORDING
RETURN TO:**

ICC Holdings, LLC
360 W Butterfield Rd., Suite 280
Elmhurst, IL 60126

SEND FUTURE TAX BILLS TO:

Ascend Barry, LLC
360 W Butterfield Rd., Suite 280
Elmhurst, IL 60126

Pike Co., Illinois - Donnie Apps, Recorder

Book: 874 Page: 232

Receipt #: 28889 Recording Fee: \$75.00
Doc#: 2018-1271 RHSP Included: 6/27/2018 9:03:00 AM: \$10.00
Pages Recorded: 4

Date Recorded: 6/27/2018 9:03:00 AM

FOR RECORDER'S USE ONLY

QUIT CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS that **ICC Holdings, LLC**, an Illinois limited liability company, having an address of 360 W. Butterfield Rd., Suite 280, Elmhurst, Illinois 60126 ("Grantor"), for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt whereof is hereby acknowledged, hereby CONVEY and QUIT CLAIM to **Ascend Barry, LLC**, an Illinois limited liability company, having an address of 360 W. Butterfield Rd., Suite 280, Elmhurst, Illinois 60126 ("Grantee"), all of its rights, title and interest in and to the following described premises situated in Pike County, Illinois:

Prior to that ICC Holdings LLC purchased the deed from Allenfarms LLC on 07/20/2015 for \$312,500.

Notice that in the deed records, ICC changed primary address three times from

1. 14007 S. Bell Rd, #233, Homer Glen, Il, 60491 to
2. 5100 Main St. 2nd floor downers grove, IL, 60515
3. 360 W Butterfield Rd., Suite 280, 60126 and this address is shared with Ascend Barry, LLC.



We believe there is a lot of ambiguity surrounding this acquisition and calls for further clarification regarding why the price had gone up significantly following ICC's purchase.

Google Earth photos show that as of 08/23/2015, there was already a fully constructed building. We find it hard to believe that within 34 days, the property went from an empty piece of land to a complete set of buildings, and thus have to assume that the \$312,500 was the valuation of the land plus buildings, which implies that IIPR purchased the property at a significant premium.



Our investigator visited the property in March 2020 and confirmed that there are improvements being made to the property.



Discount Treatment:



Discounted 2020's rent by 58% due to evidence provided by historical google earth photos. We find it hard to believe a complete building was built within 34 days.

Denver CO The Green Solution

Core Issue:

Overpayment

Transaction details:

IIPR purchased a property from Speidell Real Estate Group LLC on 10/31/2018 for \$11.25M.

Address:

We identify the address to be 5305 Steele Street, Denver, CO.

Initial Terms:

We estimate 2020 rent to be \$1.8M, representing a 15.75% yield.

Independent due diligence:

According to deed records, IIPR purchased the property from Speidell Real Estate Group LLC on 10/31/2018 for \$11.25M.

<p>Document Info</p> <p>Document Type: WARRANTY DEED Document Status: Recorded and Verified Document Reception Number: 2018140532 <input type="button" value="Prev"/> <input type="button" value="Next"/> Book: Page: Recorded Date: 10/31/2018 08:15:10 AM Number of Doc Pages: 5</p>	<p>2018140532 Page: 1 of 5 10/31/2018 08:15 AM R \$32.00 D \$1,125.00 City & County of Denver Electronically Recorded WD</p> <p>When recorded, return to: IIP-CO 1 LLC 11440 West Bernardo Court Suite 220 San Diego, California 92127 Attn: General Counsel</p> <p>SPECIAL WARRANTY DEED</p> <p>THIS DEED, made this 25th day of October, 2018, with an effective date of October 30, 2018, between Speidell Real Estate Group, LLC, a Colorado limited liability company, whose address is Attn: Kyle Speidell, 4100 E. Arkansas Ave., Denver, CO 80222, Grantor, and IIP-CO 1 LLC, a Delaware limited liability company, whose address is 11440 West Bernardo Court, Suite 220, San Diego, California 92127, Grantee:</p> <p>WITNESSETH, That the Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, its successors and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the said City and County of Denver and State of Colorado described as follows:</p> <p>See Exhibit A attached hereto and by this reference made a part hereof</p>
---	--

The property was previously purchased from Buddy Holding Company LLC on 09/11/2013 for \$1.86M.



History: 2013134334 WARRANTY DEED

Document Info

Document Type: WARRANTY DEED
 Document Status: Recorded and Verified Document
 Reception Number: 2013134334 [Prev] [Next]
 Book:
 Page:
 Recorded Date: 09/11/2013 02:35:00 AM
 Number of Doc Pages: 3

Name Information

Grantor:
 BUDDY HOLDING COMPANY LLC

Grantee:
 SPEIDELL REAL ESTATE GROUP LLC

Page: 1 of 3
 Reception #: 2013134334
 09/11/2013 02:35 P
 R:\$ 21.00 D:\$ 186.37
 eRecorded in C/C of Denver, CO
 Doc Code: WD
 Debra Johnson, Clerk and Recorder

WHEN RECORDED RETURN TO:
 Speidell Real Estate Group, LLC
 700 17th St., Suite 1610
 Denver, CO 80202

File Number: NCS-623891-CO

SPECIAL WARRANTY DEED

THIS DEED, Made this Eleventh day of September, 2013, between Buddy Holding Company, LLC a limited liability company duly organized and existing under and by virtue of the laws of the State of Colorado, grantor, and Speidell Real Estate Group, LLC, a Colorado limited liability company whose legal address is 700 17th St., Suite 1610, Denver, CO 80202 of the County of Denver and State of Colorado, grantee:

WITNESSETH, That the grantor, for and in consideration of the sum of ONE MILLION EIGHT HUNDRED SIXTY THREE THOUSAND SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$1,863,750.00), the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and deliver, unto the grantee, his heirs, successors and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Denver, State of Colorado, described as follows:

According to [deed records](#), the property is located at 5305 Steele Street, Denver, CO. Deed records also indicates that the property is assessed at a value of \$5.9M. This is at a 53% discount compared to what IIPR paid. In addition, comparable sales in the neighborhood (around the same time and around same sq. ft.) trade near their assessed and actual values while also significantly lower than IIPR's purchase price.

5305 N STEELE ST

Owner	Schedule Number	Legal Description	Property Type	Tax District
IIP-CO 1 LLC 11440 W BERNARDO CT 100 SAN DIEGO, CA 92127-1642	02132-00-059-000	T3 R68 S13 NW/4 DIF RCP #86817RCD 3-11-85 AND LATHANS RIVERSIDESUB B2 L11TO 24 & VAC STEELE ST ADJ	INDUSTRIAL - WAREHOUSE	DENV

Summary Property Map Assessed Values Assessment Protest Taxes Comparables Neighborhood Sales Chain of Title

Current Year			
	Actual	Assessed	Exempt
Land	\$1,125,500	\$326,400	\$0
Improvements	\$4,749,400	\$1,377,330	
Total	\$5,874,900	\$1,703,730	

Prior Year			
	Actual	Assessed	Exempt
Land	\$1,125,500	\$326,400	\$0
Improvements	\$2,530,700	\$733,900	
Total	\$3,656,200	\$1,060,300	

Below is a Google street view photo dated August 2011.



Below are Google Earth photos taken as of October 2012 and May 2018. We see some improvements made to the building such as ventilation systems and a new building to the northeast corner. However, we believe the county assessment value have included such modifications.



Discount Treatment:

We acknowledge improvements made but are discounting 2020's rent by 48% due to overpayment.



Quincy FL Trulieve

Core Issue:

Questionable tenant reflects bad investment due diligence.

Transaction details:

IIPR disclosed on 10/23/2019 that it closed on the acquisition of a property in Quincy Florida, comprising of five buildings totaling approximately 120,000 sq. ft. of industrial space from Trulieve. The purchase price was \$17M. There were no reimbursement for improvement options.

Address:

We have identified the address to be at Blue Star Hwy, Quincy, 32351, with parcel ID 3-10-2N-4W-0000-00144-0100

Initial Terms: The initial annualized base rent is 11% of the purchase price for the property, or \$1.87M per year. The initial lease term is for ten years, with two options to extend the term of lease for five years each.

Independent due diligence:

According to [public deed records](#), IIPR purchased the property from Trulieve on 10/23/2019 for \$17M. The property was previously purchased by Trulieve from One More Wish LLC for \$142,800 on 08/17/2018.

Multi Parcel	Sale Date	Sale Price	Instrument	Book	Page	Qualification	Vacant/Improved	Grantor	Grantee
N	10/23/2019	\$17,000,000	WD	869	244	Qualified (Q)	Improved	TRULIEVE INC	IIP-FL 1 LLC
N	08/17/2018	\$142,800	WD	851	1358	Qualified (Q)	Vacant	ONE MORE WISH LLC	TRULIEVE INC
N	06/06/2018	\$100,000	WD	848	1306	Qualified (Q)	Vacant	BIG WISH LLC	ONE MORE WISH LLC
N	04/24/2015	\$365,000	WD	801	1915	Unqualified (U)	Improved	NORTH FLORIDA TOMATOES INC	BIG WISH LLC
N	09/04/2001	\$2,125,000	WD	531	1164	Unqualified (U)	Improved	ATG HOLDING COMPANY INC	NORTH FLORIDA TOMATOES INC
N	04/14/1995	\$1,247,900	WD	433	63	Unqualified (U)	Vacant	ALAPAHA TOMATOE GROWERS ASSOC.	A T G HOLDING COMPANY.
N	10/14/1993	\$170,400	WD	410	527	Qualified (Q)	Vacant	Q L ENTERPISES INC	ALAPAHA TOMATO GROWERS INC

Our investigator visited the property in March 2020 and confirmed that there are newly constructed buildings.



We previously wrote a comprehensive case on its tenant Trulieve and have reason to believe that IIPR did not do its due diligence when extending this sales leaseback agreement to Trulieve. Therefore, the quality of the investment and its future investment income can be called into question.

Discount Treatment:

Despite we believe IIPR should have done better due diligence and potentially not even sign the deal, we graciously do not allocate a discount to these properties. However, we want to remind our readers that Trulieve has a history of using related parties to conduct construction, and cast reasonable doubt on the real cost of the project.

Holyoke MA Trulieve

Core Issue:

Questionable tenant reflects bad investment due diligence, abnormally large reimbursement for improvement.

Transaction details:

IIPR purchased property from Trulieve in Holyoke MA, comprising of 150,000 sq. ft. of industrial space on 07/29/2019 for a purchase price of \$3.5M, offering \$40M in reimbursement for improvements.

Address:

We identify the address to be 56 Canal Street and 7 North Bridge Street, Holyoke, MA.



Initial Terms:

The initial lease term is ten years, which may be extended for up to an additional 18 months in accordance with the terms of the lease, with two options to extend the term of the lease for five years each. The initial annualized base rent is equal to 11% of the sum of the purchase price for the property and the reimbursement for tenant improvements then funded by IIP.

Independent due diligence:

[Deed records](#) show that IIPR purchased the property from Trulieve for \$3.5M on 07/29/2019 through the form of a quitclaim deed.

Trulieve earlier purchased the property from Frankie Chips Assoc Inc for the same amount in June and July of 2019.

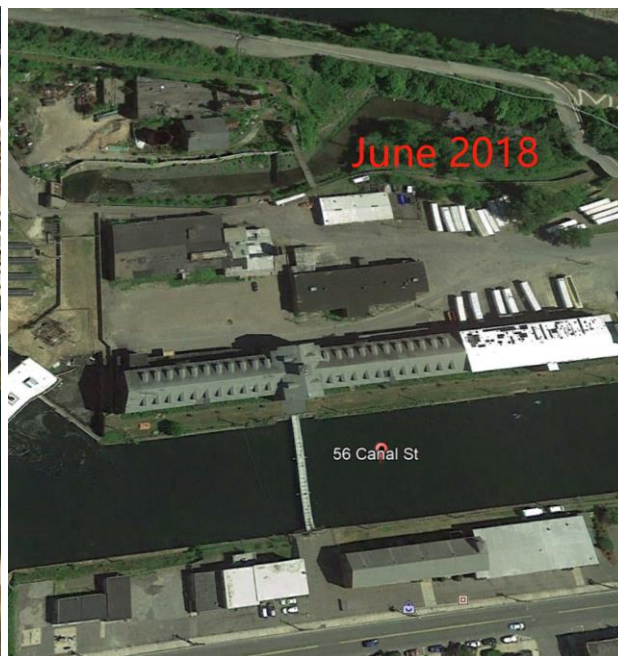
Frankie Chips Assoc Inc purchased the property from Canal Street Realty INC on 05/09/2008 for \$375,000.

According to [county GIS map](#), the property 's building value is assessed to be \$552,035 and \$219,500, for a total of \$771,535, merely 20% of what IIPR paid.





Google Earth photos from 2008 to 2018 show only little changes to the property. Meanwhile, we also stress that the county assessor office allocates a modest \$770,000 to the properties, which we believe to be much more reasonable.





As of 2019, only \$7.8 (including the purchase price) went into this property, as opposed to the \$40M reimbursement for tenant improvements allowance. At the current pace (\$4M per 6 months), it will take another 4.5 years before the tenant improvements are fully used. We dare ask how long the facility will be under construction before being able to actually generate value and how likely Trulieve will cancel the rest of the tenant improvements.

Discount Treatment:

Despite we believe IIPR should have done better due diligence and potentially not even sign the deal, we graciously do not allocate a discount to these properties. However, we want to remind our readers that Trulieve has a history of using related parties to conduct construction, and cast reasonable doubt on the real cost of the project.

Chambersburg PA Grassroots

Core Issue:

Overpayment

Transaction details:

IIPR purchased a property from Grassroots for \$14.22M on 12/20/2019.

Address:

We identify the address to be 1086 Wayne Avenue Chambersburg, PA.

Initial Terms:

We estimate 2020 rent to be \$2.2M, representing a 15.23% yield.

Independent due diligence:

[Deed records](#) show that IIPR purchased the property from GR Properties Chambersburg LLC on 12/20/2019 for \$14.22M.

This Indenture, made the 18th day of December, 2019 and effective the 20th day of December, 2019,

Between

GR PROPERTIES CHAMBERSBURG, LLC, A DELAWARE LIMITED LIABILITY COMPANY

(hereinafter called the Grantor), of the one part, and

IIP-PA 6 LLC, A DELAWARE LIMITED LIABILITY COMPANY

(hereinafter called the Grantee), of the other part,

Witnesseth, that the said Grantor for and in consideration of the sum of TEN AND NO/100 Dollars (\$10.00) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee the real property described on [Exhibit A](#) attached hereto and incorporated by reference (the "Land").



However, the county assed the value to be \$4.17M.

D. VALUATION DATA		
Was transaction part of an assignment or relocation? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
1. Actual Cash Consideration 14,220,000.00	2. Other Consideration + 0.00	3. Total Consideration = 14,220,000.00
4. County Assessed Value 462,880.00	5. Common Level Ratio Factor x 9.01	6. Computed Value = 4,170,549.00

The property was previously purchased from Franklin County Area Development Corporation on 10/26/2017 for \$3.7M.

MADE the 26th day of October, 2017,

BETWEEN

FRANKLIN COUNTY AREA DEVELOPMENT CORPORATION, a Pennsylvania Industrial Development Corporation, having a mailing address of 1900 Wayne Road, Chambersburg, Franklin County, Pennsylvania, hereinafter called GRANTOR

AND

GR PROPERTIES CHAMBERSBURG, LLC, a Delaware limited liability company, with a mailing address of 477 Elm Place, Highland Park, Illinois, hereinafter called GRANTEE

WITNESSETH, that in consideration of **THREE MILLION SEVEN HUNDRED THOUSAND (\$3,700,000.00) DOLLARS** in hand paid, the receipt whereof is hereby acknowledged, the said Grantor hereby grants and conveys in fee simple, to said Grantee,

The county valued the property at \$3.53M.

D. VALUATION DATA		
Was transaction part of an assignment or relocation? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
1. Actual Cash Consideration 3,700,000.00	2. Other Consideration + 0.00	3. Total Consideration = 3,700,000.00
4. County Assessed Value 462,880.00	5. Common Level Ratio Factor x 7.63	6. Computed Value = 3,531,774.40

We see that the previous transaction value was much more in line with county's assed value.

This is a [video](#) that promoted the sale of the property on 02/20/2017. Our investigator visited the property and confirmed that there were some improvements, but not enough to justify the \$9M increase in purchase price.



Discount Treatment:

While the previous purchase price will represent a 70% overpayment, we acknowledge that improvements have been made to the property and graciously allocate a 35% discount to both good and bad case.

Danville PA Green Thumbs Industries

Core Issue:

Overpayment

Transaction details:

IIPR purchased the property from Green Thumbs Industries on 11/12/2019 for a purchase price of \$20.3M, offering \$19.3M in reimbursement for improvements.

Address:

We identify the address to be at 601 E. Market Street. Parcel #: 11-88-8

Initial Terms:



We estimate 2020 rent to be \$3.1M, representing a yield of 15.23%.

Independent due diligence:

According to deed records, IIPR purchased the property from 601 E Market Street LLC on 11/12/2019 for \$20.3M.

1020 JFK BOULEVARD, SUITE 2002
Philadelphia, PA 19103
File No.: 1900035514

PARCEL NO. 11-88-8

*November 7, 2019 but effective
as of
12/4*
This Indenture, made the 12th day of NOVEMBER 2019,

Between

601 E MARKET STREET, LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY

(hereinafter called the Grantor), of the one part, and

IIP-PA 5 LLC, A DELAWARE LIMITED LIABILITY COMPANY

(hereinafter called the Grantee), of the other part,

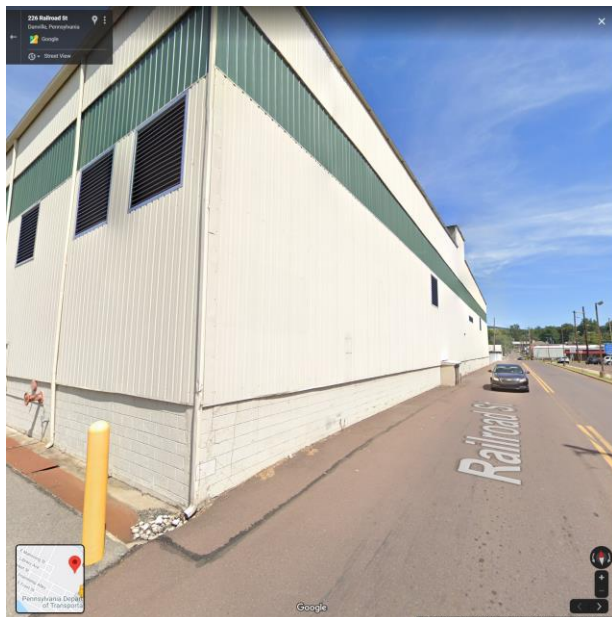
Witnesseth, that the said Grantor for and in consideration of the sum of Twenty Million Three Hundred Thousand Dollars (\$20,300,000) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee the real property described on Exhibit A attached hereto and incorporated by reference.

601 E Market Street LLC previously purchased the property from MBC Danville LP for \$3.4M on 04/09/2019.

Street view dated October 2015 shows that there was already a large warehouse.



Street view from August 2019 shows that nothing has really changed apart from a few tenants moving out.



Our investigator visited the property in March 2020 and confirmed that the property is a growing operation but sees minimal improvements to the property.





Prepared by:

David H. Rattigan, Esquire
Williamson, Friedberg & Jones, LLC
Ten Westwood Road
Pottsville, PA 17901

Return to:

Sean W. Bezark, Esquire
Greenberg Traurig, LLP
77 West Wacker Drive, Suite 3100
Chicago, IL 60601

Part of Tax Parcel Identification No. 11-88-8 (10.835 ac.)
Subdivided Lot No. 2 of Subdivision Plan of Minor Subdivision Plan recorded in Map File
No. 1548-2014

DEED

THIS DEED, made this 9th day of April, 2019 but effective April 11, 2019, between
MBC DANVILLE, LP, a Pennsylvania limited partnership, with offices at 950 East Main
Street, P.O. Box 472, Schuylkill Haven, Schuylkill County, Pennsylvania 17972, party of the first
part, hereinafter the "GRANTOR"

and

601 E MARKET STREET, LLC, a Pennsylvania limited liability company, with offices at 325
W. Huron Street, #412, Chicago, Illinois 60654, party of the second part, hereinafter called the
"GRANTEE";

WITNESSETH, that in consideration of the sum of **THREE MILLION FOUR
HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,400,000.00)** in hand paid, the receipt
whereof is hereby acknowledged, the Grantor, does hereby grant, bargain, sell and convey unto
the Grantee, its successors and assigns, the premises more fully described on Exhibit A attached
hereto (the "Property").

MBC Danville LP previously purchased the property from TRW Automotive U.S. LLC on 12/17/2007 for
\$775,000.



afg

Prepared by:

MADISON TITLE AGENCY, LLC
1125 OCEAN AVENUE
LAKEWOOD, NJ 08701

Record and return to:

MADISON TITLE AGENCY, LLC
1125 OCEAN AVENUE
LAKEWOOD, NJ 08701
Title Number: mta-mlsdeeds

mta-pa-040703

Record and Return to
LandAmerica Commonwealth Land Title
Insurance
1700 Market Street, Suite 2110
Philadelphia, PA 19103
Attn. Charlena Cooper 2024738

SPECIAL WARRANTY DEED

THIS INDENTURE, dated the 17 day of December, 2007

BETWEEN

TRW AUTOMOTIVE U.S. LLC, a Delaware limited liability company,

whose address is: NA Technical Center, 19501 Emery Road, Warrensville Heights, Ohio 44128

hereinafter called the **Grantor**, of the one part,

AND

MBC DANVILLE, LP, a Pennsylvania limited partnership,

whose address is: 950 E. Main Street, P.O. Box 472, Schuylkill Haven, PA 17972

hereinafter called the **Grantee**, of the second part,

Witnesseth That the said Grantor for and in consideration of the sum of Seven Hundred Seventy-five Thousand Dollars (\$775,000.00) of the United States of America, unto the Grantor, well and truly paid by the Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee its successors and assigns.

According to a [news article](#) published on 06/21/2017, GTI will spend more than \$5M to develop the facility. The article also indicated that the property was previously home to a TRW manufacturing operation that closed in 2004. This is confirmed by the previous warranty deed. We believe that at the time of the TRW and MBC transaction, this was an empty warehouse. Considering the \$5M development costs, this would reflect a property value close to \$6M, which is significantly lower than the \$20.3M price IIPR paid.

Below is the interior picture of the warehouse from the article.



Discount Treatment:

While the previous purchase price and the development costs will represent a 70% discount to rent, we acknowledge that improvements have been made to the property and graciously allocate a 35% discount to both good and bad case.

Oglesby IL Green Thumbs Industries

Core Issue:

Large reimbursement, overpayment (potential)

Transaction details:

IIPR closed the acquisition of a property in Oglesby IL with Green Thumb Industries on 03/09/2020. The initial purchase price for the property was \$9M, offering reimbursement for improvement up to \$41M.

Address:

We identify the address to be 110 4th Street E Oglesby IL 61348. Parcel #: 18-35-110-000

Initial Terms:

We estimate 2020 rent to be \$1.1M, representing a 15.23% yield.

Independent due diligence:

[Deed records](#) show that IIPR purchased the property from GTI Oglesby Partners LLC on 03/03/20 for \$9M.

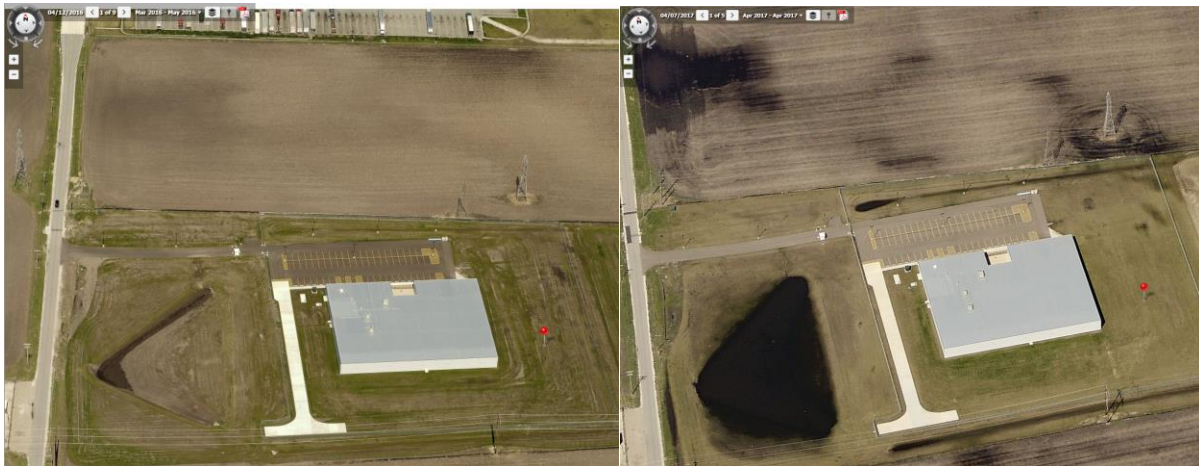
The property was previously sold to GTI Oglesby Partners LLC by Hometown National Bank Trustee for \$722,000 on 06/23/2015.

[County property records](#) indicates that buildings were already constructed in 2015.



BLDG FRONT RIGHT 2015

Pictometry data from 2016 and 2017 also shows that very minimal alterations to the exterior of the building were made.



Moreover, [a news report](#) published on 09/22/2019 showed a photo of the facility, which looks alarmingly similar to the 2015 photo.



The news article continued to quote GTI and indicates that a \$10.5M investment is going into the facility and that expansion will likely start in the spring of 2020 after engineering design and permitting stages. The timing of these events make us question the discrepancy between 41M and 10.5M. How much money does GTI actually need to spend?

Our investigator visited the property in March 2020 and confirmed that construction is currently going on.



Discount Treatment:

IIPR's purchase price of \$9M would reflect a huge overpayment compared to the previous purchase price of \$722,000. However, we give the company the benefit of the doubt and adjust the more accurate purchase price to be \$5M. This would imply a 44% discount to 2020 rent.

Capital Heights MD Holistic Industries

Core Issue:

Overpayment (Potential).



Transaction details:

IIPR purchased the property in Maryland comprising 72,000 sq. ft. for a purchase price of \$8M on 05/30/2017, and offers up to \$4M in reimbursement for improvements.

Address:

We identify the address to be 9220 Alaking Court in Capitol Heights, Maryland

Initial Terms:

The lease provides for an initial annualized aggregate base rent of 15% of the sum of the initial purchase price, any additional seller reimbursement and any reimbursed tenant improvements, subject to three months of rent abatement at the beginning of the term and the Company’s additional establishment of a rent reserve of \$1.9 million that is amortized over the initial term of the lease. The aggregate base rent is subject to 3.25% annual increases during the initial term of the lease, and Holistic is also responsible for paying the Company a property management fee equal to 1.5% of the then-existing aggregate base rent. In connection with the execution of the lease, Holistic also deposited with IIPR its initial security deposit of \$1.1 million.

Independent due diligence:

[Deed records](#) indicate that the property was sold by PGHI LLC to IIPR on 05/30/2017 for \$8M. The property was previously purchased by an undisclosed party for \$2.95M just months ago on 01/23/2017.

Transfer Information		
Seller: PGHI LLC	Date: 05/30/2017	Price: \$8,000,000
Type: ARMS LENGTH VACANT	Deed1: /39619/ 00227	Deed2:
Seller:	Date: 01/23/2017	Price: \$2,950,000
Type: ARMS LENGTH VACANT	Deed1: /38988/ 00316	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Discount Treatment:

We believe the previous purchase price of \$2.95M just months prior to the IIPR purchase to be more accurate value of the property at the time of the purchase. This would reflect a 30% discount to 2020 rent.

Harrison Township MI Emerald Growth Partners

Core Issue:

Overpayment

Transaction details:

IIPR purchased a property in Harrison MI comprising of 45,000 sq. ft. of industrial space on 06/21/2019 for a purchase price of \$6.9M. IIPR is offering up to \$3.1M in reimbursement for improvements.

Address:

We identify the address to be 40800 Executive, Harrison Township, MI 48045



Initial Terms:

We estimate 2020 rent to be \$1.5M, representing a 15.23% yield.

Independent due diligence:

[Deed records](#) show that IIPR purchased the property from EGH Executive LLC on 06/05/2019 for \$6.86M.

WARRANTY DEED

①

This **WARRANTY DEED** is made this 4th day of July, 2019, between **PRODUCTION DRIVE PROPERTIES, L.L.C.**, a Michigan limited liability company ("**Grantor**"), whose address is PO BOX 480485, New Haven, Michigan 48048, and **EGH EXECUTIVE LLC**, a Michigan limited liability company ("**Grantee**"), whose address is 1001 Woodward Ave, Suite 500, Detroit Michigan 48226 (the words "**Grantor**" and "**Grantee**" to include their respective successors and assigns where the context requires or permits).

However, another deed indicates that EGH Executive LLC purchased the exact property from Production Drive Properties on 07/04/2019 for \$2M.

WARRANTY DEED

This **WARRANTY DEED** is made this 5 day of June, 2019, between **EGH EXECUTIVE LLC**, a Michigan limited liability company ("**Grantor**"), whose address is 1001 Woodward Avenue, Suite 500, Detroit, Michigan 48226, and **IIP-MI 2 LLC**, a Delaware limited liability company ("**Grantee**"), whose address is 11440 West Bernardo Court, Suite 220, San Diego, California 92127 (the words "**Grantor**" and "**Grantee**" to include their respective successors and assigns where the context requires or permits).

[Sale History](#)

[Back To Top](#)

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms of Sale	Liber/Page
07/04/2019	\$2,000,000.00	WD	PRODUCTION DRIVE PROPERTIES LLC	EGH EXECUTIVE LLC	ARMS LENGTH	26017/183
06/05/2019	\$6,860,000.00	WD	EGH EXECUTIVE LLC	IPP-MI 2	NOT USED	26017/187
06/11/2013	\$213,500.00	COV	TALMER BANK & TRUST	PRODUCTION DRIVE PROPERTIES LLC	POST FORFEITURE SAL	22250 414
09/15/2011	\$0.00	SFD	JELINEK, TERI & JEFF	TALMER BANK & TRUST	FORCLOSURE	20925 208

The peculiarity of how EGH was able to sell a property to IIPR before even owning it is already disturbing, but this might be explained by concurrent acquisitions and different dates in filings. We noticed that in the signature section of the deeds, these two deeds were signed one day apart.



IN WITNESS WHEREOF, Grantor has caused this Warranty Deed to be executed and delivered under seal by its duly authorized officer the day and year first above written.

Signed, sealed and delivered
in the presence of

Witness
Christina Vandeberghe

GRANTOR:
PRODUCTION DRIVE PROPERTIES, L.L.C.,
a Michigan limited liability company
By:
Name: Michael J. DeMil
Title: Sole Member

STATE OF MICHIGAN)
COUNTY OF MACOMB) ss.

The foregoing instrument was acknowledged before me, a Notary Public of the State of Michigan, on the 4th day of June, 2019, by MICHAEL J. DEMIL, the SOLE MEMBER of PRODUCTION DRIVE PROPERTIES, L.L.C., for and on behalf of said limited liability company.

Notary Public JENNIFER B. BUDIC
State of Michigan, Count of Wayne acting in Macomb
My Commission Expires: 11-21-2019

IN WITNESS WHEREOF, Grantor has caused this Warranty Deed to be executed and delivered under seal by its duly authorized officer the day and year first above written.

Signed, sealed and delivered
in the presence of

Witness
NICHOL ATKINS

GRANTOR:
EGH EXECUTIVE LLC, a Michigan limited
liability company
By:
Name: Randall J. Bushman
Title: CEO

STATE OF Michigan)
COUNTY OF Macomb) ss.

The foregoing instrument was acknowledged before me, a Notary Public of the State of Michigan, on the 5 day of JUNE, 2019, by Randall Bushman, the CEO of EGH Executive LLC, for and on behalf of said limited liability company.

However, we fail to see how it is possible to justify the price of the property to rise from \$2M to \$6.86M in just a matter of days.

Our investigator visited the facility and discovered that it was now occupied by Pleasantrees, which is a retail medical marijuana outlet of Emerald Growth Partners. The facility appears to be still under construction.



Discount Treatment:

We believe the previous purchase price of \$2M just days prior to IIPR's purchase to be more accurate value of the property. This adjustment for overpayment represents a 50% discount to 2020 rent.

Dimondale MI Green Peak Industries

Core Issue:

None.

Transaction details:

IIPR purchased a property located at Dimondale MI comprising of 56,000 sq. ft. of industrial space on 08/02/2018 for a purchase price of \$5.5M. IIPR is offering up to \$5.3M for reimbursement for improvements.

Address:

We identify the address to be at 10070 Harvest Park, Dimondale MI.

Initial Terms:

We estimate 2020 rent to be \$2.5M, representing a 15.75% yield.

Independent due diligence:



According to [deed records](#), IIPR purchased the property from Alimac LLC on 08/08/2018 for an undisclosed price.

Alimac LLC previously purchased the property from Windsor Charter Township for \$1M on 09/18/2017.

Instrument Type: Warranty Deed
Liber: LIBR 2699 / 0236
Instrument Status: Recorded and Verified instrument
Signed: 09/15/2017
References1:
Recorded Date: 09/18/2017 03:28:15 PM
Comments:
Consideration: \$1,000,000.00
Number of Pages: 3

Name Information

First Party:

WINDSOR CHARTER TWP OF

Second Party:

ALIMAC LLC

Legal Description

WINDSOR CHARTER
GOVT LOT: SECTION: 02 T3N R3W THE QTR/QTR OF THE NW QUARTER

Our investigator visited the facility in March 2020 and confirmed that it belonged to Skymint, a brand operated by Green Peak Innovations.



Google Earth confirms that the building was already constructed as of July 2018.



It appears that Alimac purchased an empty piece of land for \$1M and constructed a warehouse. The warehouse and the land was later sold to IIPR for \$5M.

Discount Treatment:

We give the company the benefit of the doubt and do not apply a discount on this property.



Warren MI LivWell

Core Issue:

None

Transaction details:

IIPR purchased a property in Warren MI, comprising 156,000 sq. ft. of industrial space on 10/09/2019 for a price of \$19M. IIPR is providing up to \$23M in reimbursement for improvements.

Address:

We identify the address to be at 21550 and 21590 Hoover Rd, Warren MI.

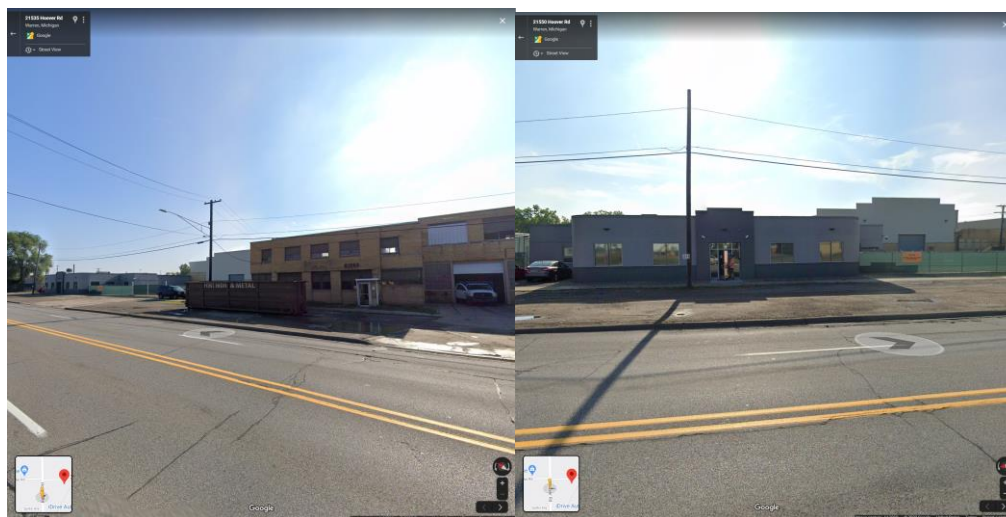
Initial Terms:

We estimate 2020 revenue to be \$3.9M, representing a yield of 15.23%.

Independent due diligence:

We were unable to locate the previous purchase price.

Google street view from July 2019 showed an old 21550 and a new 21590.



Our investigator visited the property and confirmed that improvements were made to the facility.



Discount Treatment:

We believe this is one of the company's strongest properties and tenants and do not apply a discount to its revenue.

Otsego MN Vireo

Core Issue:

Mis reporting transaction value. Overpayment and default.

Transaction details:

IIPR purchased a property in Minnesota for \$3.0M on 11/08/2017. IIPR is offering up to \$1M in reimbursement for improvements.

Address:

We identify the address to be 8760 77th ST NE, Otsego MN.

Initial Terms:

We estimate 2020 rent to be \$1M, representing a 13.7% yield.

Independent due diligence:



[Deeds records](#) show that IIPR purchased a property from S R LLC on 11/09/2017. Though the deed did not disclose purchase price, it showed a deed tax due of \$1,293.60. According to [State Deed Tax formula](#), Deed Tax = Purchase Price * 0.0033, this would reflect a purchase price of \$392,000, far less than the \$3M IIPR disclosed.

No Delinquent Taxes
 Transfer Entered
 Certificate of Real Estate Value # 745629
 Transfer Date: November 09, 2017
 Deed Tax 1,293.60
 Ag Fee \$5.00
 PID# 118-800-281201/213-000-281100
 Robert J. Hiivala, Wright County Auditor-Treasurer
 By: MJF clerk

DOCUMENT #: **A1357799**
11-09-2017 at **02:16 PM**
 Certified filed and or recorded on above date
TANYA WEST
WRIGHT COUNTY RECORDER
 WRIGHT COUNTY, MN
 Pages: 3 Fee Amount: **\$46.00**
 This document has been electronically recorded
 Return To: Title One, Inc.

(Top 3 inches reserved for recording data)

WARRANTY DEED	Minnesota Uniform Conveyancing Blanks
Business Entity to Business Entity	Form 10.1.9 (2011)
DEED TAX DUE: <u>\$1,293.60</u>	ECRV <u>745629</u> DATE: <u>November 8, 2017</u> <small>(month/day/year)</small>
FOR VALUABLE CONSIDERATION, <u>S R, LLC</u>	<small>(insert name of Grantor)</small>
a <u>limited liability company</u>	under the laws of <u>Minnesota</u> ("Grantor"),
hereby conveys and warrants to <u>IIP-MN 1 LLC</u>	<small>(insert name of Grantee)</small>

Deed records also show that the property corresponds to Lot 2, Block 1, Bison Plains, Wright County, Minnesota.

EXHIBIT A

Legal Description:

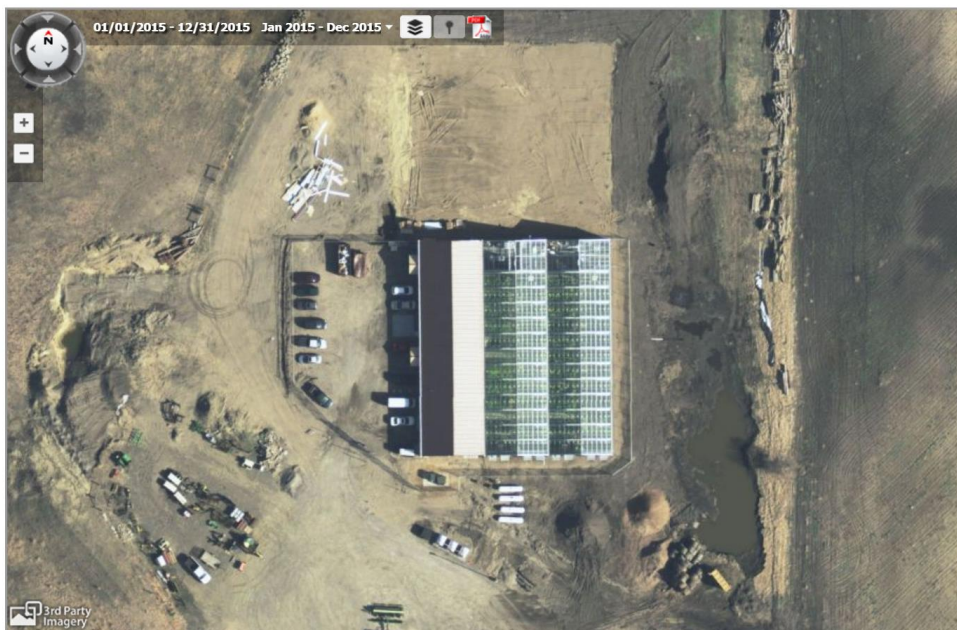
Lot 2, Block 1, Bison Plains, Wright County, Minnesota

Together with a perpetual easement for ingress, egress, drainage, and utility purposes over and across that part of the east 40.00 feet of Lot 1, Block 1, BISON PLAINS, Wright County, Minnesota, lying southerly of Lot 2, said Block 1, and lying northerly of 77th street NE as dedicated on said BISON PLAINS.

We were unable to locate the property using its PID#, but were able to locate two properties using the legal descriptions. This corresponds to 8760 77th ST NE, Otsego MN. Pictometry data confirms that this is indeed a green house.



Pictometry



[Parcel information](#) corresponding to this location indicates that in 2017 at the time of the transaction, the total estimated market value is \$309,000, which is much more in-line with the implied property value calculated using deed tax amounts.

Valuation

	2020 Assessment	2019 Assessment	2018 Assessment	2017 Assessment
+ Estimated Land Value	\$142,600	\$121,800	\$121,800	\$47,000
+ Estimated Building Value	\$808,300	\$410,900	\$259,500	\$262,000
+ Estimated Machinery Value	\$0	\$0	\$0	\$0
= Total Estimated Market Value	\$950,900	\$532,700	\$381,300	\$309,000

Discount Treatment:

Under the good case scenario, based on the tax amounts, we estimate the purchase price to be \$392,000, which is also much more in line with county assessment value. We believe this is a more accurate price for the property. This would represent a 35% discount to 2020 revenue. Under the bad case, Vireo is likely going to default with its cash burn rate of 4.3 months. We allocate a 65% discount to 2020 revenue.

Perth NY Vireo

Core Issue:

Overpayment and default.

Transaction details:

IIPR purchased a property from Vireo on 10/20/2017 for \$3.4M.

Address:

We identify the address to be 256 County Route 117, Johnstown, NY 12095.



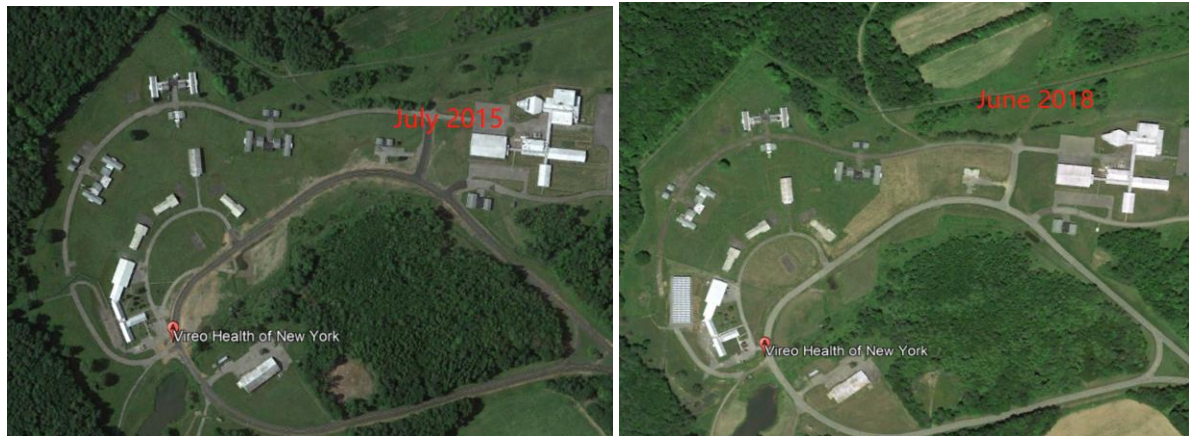
Initial Terms:

We estimate 2020 rent to be \$1.1M, representing a 17.24% yield.

Independent due diligence:

According to [deed records](#), the property was purchased by IIPR on 10/20/2017 for \$3.4M from Vireo Health Of New York LLC. The property was previously purchased from Fulton County Industrial on 03/25/2016 for \$297,712.

Google earth photos comparison show that minimal improvements were made.



We believe the previous purchase price of \$297,712 reflects a more accurate price at the time of the purchase. Vireo is likely going to default with its cash burn rate of 4.3 months. We allocate a 65% discount to 2020 revenue.

Discount Treatment:

Under the good case scenario, we believe the previous purchase price of \$297,712 better reflects the accurate price of property at the time of IIPR purchase. This would imply a 50% discount on 2020 rent. Under the bad case, Vireo is likely going to default with its cash burn rate of 4.3 months. We allocate a 65% discount to 2020 revenue.

Saxton PA Green Leaf Medical

Core Issue:

None

Transaction details:

IIPR purchased a property in Saxton PA, comprising of two buildings totaling 266,000 sq. ft. of industrial space on 05/20/2019 for \$13M.

Address:

We identify the address to be corner of Liberty Street and Horton Drive, Saxton PA.



Initial Terms:

We estimate 2020 rent to be \$2M, representing a 15.23% yield.

Independent due diligence:

[Deed records](#) show that IIPR purchased the property from Green Leaf Medicals LLC on 05/16/2019 for \$13M.

This Indenture, made the 16th day of May, 2019,

Between

GREEN LEAF MEDICALS, LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY

(hereinafter called the Grantor), of the one part, and

IIP-PA 3 LLC, A DELAWARE LIMITED LIABILITY COMPANY

(hereinafter called the Grantee), of the other part,

Witnesseth, that the said Grantor for and in consideration of the sum of Thirteen Million Dollars (\$13,000,000) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee the following:

See Exhibit "A"

BEING BEDFORD COUNTY PIN NO. Parcel ID # H.04-G.06-076, H.04-G.06-077, H.04-G.06-080, H.04-G.06-079, H.04-G.06-090, H.04-G.06-084, H.04-G.06-022

Previously, Green Leaf Medicals LLC purchased the same deed from Seton Acquisition Incorporated on 04/12/2017 for \$650,000.

Parcel Nos.: H.04 – G.06 – 076
H.04 – G.06 – 077
H.04 – G.06 – 079
H.04 – G.06 – 080
H.04 – G.07 – 022
H.04 – G.06 – 084
H.04 – G.06 – 090

SPECIAL WARRANTY DEED

This Indenture, made the 24th day of April, 2017,

Between

SETON ACQUISITION, INCORPORATED, a Delaware corporation (hereinafter called the Grantor), of the one part, and

GREEN LEAF MEDICALS, L.L.C., a Pennsylvania limited liability company (hereinafter called the Grantee), of the other part,

Witnesseth that, the said Grantor, for and in consideration of the sum of Six Hundred Fifty Thousand Dollars (\$650,000.00) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee, its successors and assigns,

We were able to confirm that \$13M did go into renovation prior to IIPR's purchase. A [news article](#) confirmed that the Green Leaf facility was current undergoing a \$13M renovation.



Our investigator visited the property in March 2020 and confirmed that major improvements were made to the facility.



Discount Treatment:

We were able to confirm that the purchase price was justified and thus do not apply a discount.

Richmond VA Green Leaf Medical

Core Issue:

None

Transaction details:

IIPR purchased the property comprising 82,000 sq. ft. of industrial space on 01/15/2020. The initial purchase price is \$11.8M and is offering reimbursement for improvement up to \$8M.

Address:

We identify the address to be 2804 Decatur St, Richmond, VA

Initial Terms:

We estimate 2020 rent to be \$1.7M, representing a 15.23% yield.



Independent due diligence:

[Deed records](#) confirmed that IIPR purchased the property from Green Leaf Medical of Virginia for \$11.74M on 01/16/2020.



Print Entire Report Print This Page

Map It! New Search

Property: 2804 Decatur St 30 **Parcel ID:** S0001221021

Detail Land Assessments **Transfers** Planning Services Government Extensions Images Sketches

Transfers				
Transfer Date	Consideration Amount	Grantor Name	Deed Reference	Verified Market Sale Description
01/16/2020	\$11,740,000	GREEN LEAF MEDICAL OF VIRGINIA	ID2020-1176	2 - INVALID SALE-Relation Between Buyer/Seller
01/16/2020	\$1,500,000	BASC WAREHOUSES LLC	ID2020-1159	

Richmond City Assessor's Office | 900 E. Broad St, Rm 802 | Richmond, VA 23219 | Phone: (804) 646-7500 | Fax: (804) 646-5686
© 1999-2020 City of Richmond, Virginia. All rights reserved. Privacy, Disclaimer & Terms.

Discount Treatment:

We were unable to identify previous transaction price, but give the company the benefit of the doubt and do not allocate discount.

Buckeye Lake OH PharmaCann

Core Issue:

Default

Transaction details:

IIPR purchased a property at Buckeye Lake OH for \$700,000 on 03/13/2019, and offers up to \$19.3M in reimbursement for improvement.

Address:

We identify the address to be Hunts Landing Rd, Hebron OH 43025 or 10767 Mill Dam Road, Buckeye, Ohio. Parcel #: 074-335496-00.0002

Initial Terms:

The initial annualized base rent (the "Base Rent") under the Lease is \$2,650,000, payable monthly. The Base Rent will be abated until May 15, 2019 and is subject to annual increases of 3.25% during the Lease term. Tenant is also responsible for paying the Company a property management fee equal to 1.5% of the then-current Base Rent under the Lease.

Independent due diligence:



[Deed records](#) show that IIPR purchased the property from PharmaCann Ohio LLC on 03/13/2019 for \$700,000.

Prior to that , PharmaCann purchased the property from James D Cooper for 700,000 as well.

Our investigator confirmed that there has been improvements to the property. According to locals, the construction started sometime in March 2019 and finished in November/December 2019.



Discount Treatment:



Due to the dire financial state of the tenant, we allocate 20% discount to 2020 rent under the good case scenario and 100% under the bad case scenario.

Hamptonburgh NY PharmaCann

Core Issue:

Overpayment (Potential)

Transaction details:

IIPR purchased a property for \$30M from PharmaCann on 12/16/2016.

Address:

We identify the address to be 14 Hudson Crossing Drive Montgomery NY.

Initial Terms:

We estimate 2020 rent to be \$5.6M, representing an 18.79% yield.

Independent due diligence:

[Property records](#) show that IIPR purchased the property for \$30M from PharmaCann on 12/26/2016. Prior to that, the property was purchased by PharmaCann from Hudson Valley Crossing for \$7.59M.



Total Acreage/Size: 80.20
Land Assessment: 2019 - \$4,044,000
Full Market Value: 2019 - \$11,500,000
Equalization Rate: ---
Deed Book: 14165
Grid East: 560607

Status: Active
Roll Section: Taxable
Swis: 333489
Tax Map ID #: 1-1-26
Property Class: 473 - Greenhouse
Site: COM 1
In Ag. District: Yes
Site Property Class: 473 - Greenhouse
Zoning Code: LUI
Neighborhood Code: 50000
School District: Valley Central
Total Assessment: 2019 - \$11,500,000
Property Desc: Lot 3 Hudson Crossings II Sub Map 60-12
Deed Page: 299
Grid North: 966662

Owners

IIP-NY 1 LLC
 190 South Lasalle St Ste
 2950
 Chicago IL 60603

Sales

Sale Date	Price	Property Class	Sale Type	Prior Owner	Value Usable	Arms Length	Addl. Parcels	Deed Book and Page
12/16/2016	\$30,000,000	473 - Greenhouse	Land & Building	Pharmacann LLC	No	No	No	14165/299
8/28/2015	\$7,589,342	340 - Vacant indus	Land Only	Hudson Valley Crossing LLC	Yes	Yes	No	13940/359



Discount Treatment:

Under the good case scenario, we believe the previous purchase price of \$7.59M better reflects the value of the property at the time of IIPR purchase, this would represent a 75% discount to 2020 revenue. Under the bad case, we discount 2020 rent by 100% due to PharmaCann's dire financial position.

Holliston MA PharmaCann

Core Issue:

Bizarre lease terms and potential for defaulting.

Transaction details:

IIPR acquired a property in Holliston MA, comprising of 26,000 sq. ft. of industrial space and 32,000 sq. ft. of greenhouse facility for on 05/31/2018 for \$3M, and offers reimbursement up to \$15.5M.

Address:

We identify the address to be 465 Hopping Brook Road.

Initial Terms:

The initial term of the lease is 15.25 years, with two options to extend the term for two additional five-year periods. The lease provides for an initial annualized aggregate base rent of \$2,682,500, payable monthly, which is equal to 14.5% of the sum of the purchase price of the property and the Construction Funding, subject to an initial six-month base rent abatement. The aggregate base rent is subject to 3.25% annual increases during the term of the lease, and the PharmaCann subsidiary is also responsible for paying the Company a property management fee equal to 1.5% of the then-current base rent.

Independent due diligence:

[Deed records](#) indicate that IIPR purchased the property from Jon Mark Priscoli of New Hopping Brook Realty Trust for \$3M on 05/31/2018.





Discount Treatment:

We weren't able to locate previous transaction history of the property and give the company benefit of the doubt and do not allocate a discount for overpayment. However, due to the company's dire financial position we allocate a 20% discount under the good scenario and 100% discount under the bad scenario.

Las Vegas NV MJardin

Core Issue:

Overpayment, high risk of default, undisclosed tenant change.

Transaction details:

IIPR purchases a property in Las Vegas NV from MJardin for a price of \$3.8M, with up to \$5.8M in reimbursements for improvements.

Address:

We identify the address to be 5421 E. Cheyenne Ave Las Vegas, NV 89156.

Initial Terms:

We estimate 2020 rent to be \$1.1M, representing a 15.23% yield.

Independent due diligence:

[Deed records](#) indicate that IIPR purchased a property from 5421 E. Cheyenne Real Estate LLC for \$3.8M on 07/12/2019.

GRANT BARGAIN AND SALE DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned 5421 E. CHEYENNE REAL ESTATE LLC, a Nevada limited liability company (the "Grantor"), does hereby grant, bargain and sell to IIP-NV 1 LLC, a Delaware limited liability company (the "Grantee"), all right, title, and interest of Grantor in and to that certain real property situated in Clark County, Nevada, legally described as set forth in Exhibit A hereto (the "Land"), together with (i) all buildings structure, improvements and fixtures located thereon, (ii) all rights, privileges, servitudes, hereditaments, and appurtenances thereunto belonging or appertaining, and (iii) all right, title and interest of Seller without warranty, in and to any land lying in the bed of any street or alley, opened or proposed, abutting such real property.

**STATE OF NEVADA
DECLARATION OF VALUE**

- 1. Assessor Parcel Number(s)
 - a. 140-16-103-004
 - b. _____
 - c. _____
 - d. _____

- 2. Type of Property:

a. <input type="checkbox"/> Vacant Land	b. <input type="checkbox"/> Single Fam. Res.
c. <input type="checkbox"/> Condo/Twnhse	d. <input type="checkbox"/> 2-4 Plex
e. <input type="checkbox"/> Apt. Bldg	f. <input checked="" type="checkbox"/> Comm'l/Ind'l
g. <input type="checkbox"/> Agricultural	h. <input type="checkbox"/> Mobile Home
<input type="checkbox"/> Other	

FOR RECORDERS OPTIONAL USE ONLY	
Book _____	Page: _____
Date of Recording: _____	
Notes: _____	

- 3.a. Total Value/Sales Price of Property \$ 3,830,000.00
- b. Deed in Lieu of Foreclosure Only (value of property (_____))
- c. Transfer Tax Value: \$ 3,830,000.00
- d. Real Property Transfer Tax Due \$ 19,533.00



Prior to this transaction, 5421 E. Cheyenne Real Estate purchased the property from 5421 East LLC for \$1.92M on 08/23/2018.

GRANT, BARGAIN, SALE DEED

THIS INDENTURE WITNESSETH THAT:

5421 East L.L.C., a Nevada limited liability company

for a valuable consideration, the receipt of which is hereby acknowledged, do hereby Grant, Bargain Sell and convey to

5421 E. Cheyenne Real Estate LLC, a Nevada limited liability company

all that real property situated in the County of Clark, State of Nevada, described as follows:

That portion of the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of Section 16, Township 20 South, Range 61 East, M.D.M., Clark County, Nevada, described as:

Parcel Four (4) as shown by map thereof in File 73 of Parcel Maps, Page 33, in the Office of the County Recorder of Clark County, Nevada.

**STATE OF NEVADA
DECLARATION OF VALUE FORM**

1. Assessor Parcel Number(s)

a) 140-16-103-004

b)

c)

d)

2. Type of Property:

a) Vacant Land b) Single Fam. Res

c) Condo/Twnhse d) 2-4 Plex

e) Apt. Bldg f) Comm'l/Ind'l

g) Agricultural h) Mobile Home

Other _____

FOR RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____

Date of Recording: _____

Notes:

3. a) Total Value/Sales Price of Property

\$1,924,230.00

b) Deed in Lieu of Foreclosure Only (value of property)

(_____)

c) Transfer Tax Value:

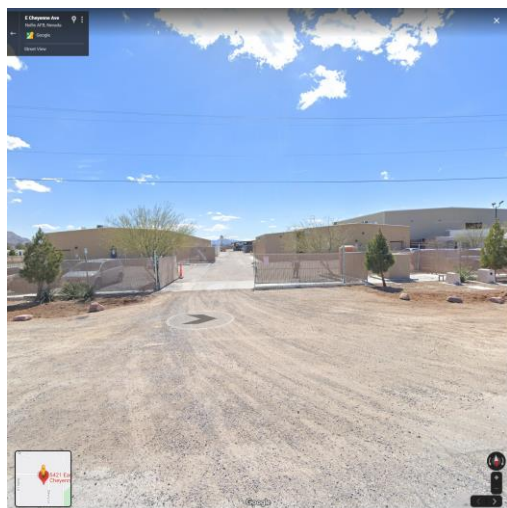
\$1,924,230.00

d) Real Property Transfer Tax Due

\$89,814.95

Within less one year, the price of the property had gone up by 100%.

In a [recent press release](#), Mjardin announced that it had entered into a definitive agreement with Harvest DCP of Nevada (CSE: HARV), to sell all its interest in GreenMart of Nevada LLC, which possesses a Nevada Marijuana Cultivation Facility License and operates the cultivation facility at 5421 E. Cheyenne, Nevada, ("Cheyenne") for a total consideration of US\$35 million in cash, comprised of US\$30 million on December 31, 2019, plus US\$5 million upon license transfer (the "Transaction"), subject to regulatory approvals.





Discount Treatment:

We believe the previous purchase price of \$1.92M better reflects the value of the property at the time of the purchase. This would represent a 26% discount to 2020 revenue. Note that we have reason to believe Harvest, who is supposedly the new potential user of the property, might not even pay rent at all. However, we have graciously not considered such discount effects.