

## 500 N 3rd St., LLC

### Frequently Asked Questions about our medical marijuana based real estate investment

Q: Is 500 North 3RD St., LLC a real estate leasing company or a grower?

A: 500 N 3rd St is a real estate holding company; I do intend to hope to apply as a principal with a separate unrelated company "All Organic Medical Marijuana" for a grower / processor permit.

Q: Are you considered an ancillary business which doesn't touch the plant?

A: 500 N 3rd St is a real estate holding company yes.

Q: How many growers would be able to occupy the space?

A: In Pennsylvania the Law will currently only allow us to physically house 1 grower / processor per location.

Q: Explain your revenue model?

A: 500 N 3rd St is a real estate holding company. We will make money by having a grow-ready building for a medical marijuana company to occupy and pay lease income to 500 N 3rd St and its investors. We may also lease to other market segments.

Q: Can the federal government shutdown 500 North 3RD St., LLC or its growers?

A: 500 N 3rd St isn't doing anything illegal by preparing a building for a grower / processor so we aren't conflicting with any federal or state laws. Pennsylvania has approved medical marijuana and a separate company All Organic Medical Marijuana or any company we may partner with will follow state regulations which are protected under the Cole memorandum from federal prosecution. Yes, it is possible but not expected that the federal government could prohibit all states from having medical or recreational use marijuana programs.

Q: Is the patient count in PA growing significantly?

A: We are in the real estate business and cannot comment accurately about this subject. Please see the pa department of health comment and website "The Department of Health recently launched the Patient & Caregiver Registry, which allows Pennsylvanians to register to participate in the medical marijuana program. You can access the Patient & Caregiver Registry [online here](#). To date, over 5,000 patients and nearly 300 caregivers have registered with the program." – 11/13/2017 (this is 1 week after launch)

Q: Are there enough PA doctors licensed to prescribe medical marijuana?

A: We are in the real estate business and cannot accurately comment about this subject. Please see the pa department of health comments and websites "The Department of Health also recently launched the Practitioner Registry, which allows medical professionals to register with the medical marijuana program and become eligible to recommend medical marijuana to their patients. You can access the Practitioner Registry [online here](#). Over 100 practitioners have already registered with the Department of Health and completed the required training. A list of practitioners eligible to recommend medical marijuana to their patients is [available here](#), and the list will be continually updated over time." – 11/13/2017 (this is 1 week after launch)

Q: How difficult is it for your client growers to receive a license?

A: We are in the real estate business and cannot accurately comment about this subject.

Q: What would be growers estimated total start-up costs be with 500 North 3RD St., LLC and without 500 North 3RD St., LLC?

A: 500 N 3rd St is a real estate company so we cannot comment on the economic data for a separate medical marijuana business. We are offering ready to use location for a grower processor to provide those answer at a later time.

Q: Do you have any competitors?

A: We are a real estate business. We believe we have a prime location. The real estate market is large.

Q: What advantages do you have over your competitors?

A: Size, location, low amount of debt, verbal pre-approvals from local city council members who also already approved other similar permits in the same township.

Q: What disadvantages do you have with your competitors and how do you plan on resolving those disadvantages?

A: N/A - We are a real estate holding company.

Q: What are your major hurdles and obstacles?

A: Finding a qualified grower processor and or investors.

Q: Do you plan on scaling the platform beyond this one location?

A: We own a single building at this time. We may in the future acquire other property.

Q: What previous experience does management have to assist 500 North 3RD St., LLC in executing on its business plan strategy?

A: Peter Gustis has been involved in real estate and real estate investing for 11 years. The profit is from a simple triple net lease so if a tenant is found we expect the model to produce a profit.

Q: How does marijuana legislation impact your business?

A: If any change in the marijuana legislation creates a conflict the investors and 500 N 3rd St. are able to still be able to lease outside of our target market or sell to help ensure profitability and investor returns.

Q: What would be a major catalyst for 500 North 3RD St., LLC?

A: Partnership with a like-minded company and funding.

Q: What are your plans for funds invested with you from investors?

A: The primary objective of reading capital investment is to rehabilitate the building so it is better prepared for a medical marijuana grower / processor which in turn will help attract partnerships with other medical marijuana companies.

Q: Are the risks for investors minimized due to the fact 500 North 3RD St., LLC is only leasing the property and not growing?

A: Yes, if federal or state regulations cause a concern for a company operating on our premise we shouldn't have problems with 500 N 3rd St., although returns in a non-marijuana market may be far less.

Q: What is your estimated revenue growth rate from Year 1 to Year 5?

A: We intend to be operational and start paying back investors in 3 to 5 years. We already have had gun parts manufacturer request short term 1 to 3 year) lease space for 2018 so we may be able to start paying back investors this coming year. We could also get lucky and start paying back in 2018.

Q: What will be your three largest annual expenses?

A: Rehabilitation of the roof, electrical system upgrade, & structural repairs. There are all expected to be 1 time expenses.

Q: At what occupancy rate do you become profitable?

A: Since we are expecting only to operate triple net leases we could be profitable by leasing only 10 to 20% of the building. If we are fully funded 500 N 3rd St, LLC will be 100% debt free. We only need 1 to be profitable.

Q: What are your estimated profit margins?

A: We intent to fully pay investor back in 2 years after we are fully operational with a grower / processor under current regulations.

Q: What would be investors exit strategy if they invest in 500 North 3RD St., LLC?

A: Our exit strategy would be to sell the building to pay investors back, yet we have very little debt and wouldn't think that be a likely strategy. If we are fully funded we could hold the building for 5 years vacant with no lease in come and still wouldn't expect that we would run out of funds our cost to hold the building vacant is expected to be under \$80,000 a year. If we really need to we could probably operate at \$30,000 a year just to hold the building after it has been repaired.

Q: Can I sell my shares / units of 500 N 3rd St?

A: For the first year, according to Regulation Crowdfunding, you can only sell the securities purchased back to the company (500 N 3rd St., LLC), to an accredited investor, or member of your family.

Q: Did you create all this yourself, it sounds too good to be true, it seems very suspicious?

A: No we are registered with the security and exchange commission (SEC) here is the link <https://www.sec.gov/edgar/searchedgar/companysearch.html> you can search our company 500 N3rd St., LLC for compliance and we are using a 3rd party investment company [www.Fundanna.com](http://www.Fundanna.com) also registered with the SEC. We are compliant with all state and federal laws as you are investing in real estate. We pay willing to pay back 3x return because we can see the big picture and are happy to pay investors back an above average return for helping fund us to make it happen.

Q: How much would this company be worth after fully invested, how will I get my money back if you sell?

A: 500 N 3rd St., LLC primary asset is a 125,796 square foot building after it is rehabilitated and ready to lease at \$30 per square foot, it could be valued at \$12,400,000. So you're investment allows us if we needed to sell the ability to be evaluated at a price range to be able to pay back the Investors. However, our intention is to lease to a medical marijuana grower processor for lease income.

Q: How can a company afford to pay back 3x your investment this sounds like a Ponzi scheme, this type of return is not sustainable?

A: It's a real estate investment, your investing in real estate. Our company currently has very little debt. 500 N 3rd St., LLC will lease the building at 30 dollars per square foot.  $125,796 \times 30 = \$3,773,880$  per year of income. Even in the company doesn't achieve their primary goal which still could happen in the 1st year. (We do estimate 3 to 5 years) You're secure due to investing in real estate and our agreement that when we make money or sell the building your shares are to be paid back per year at 50% of any profit until paid back 3x. So every \$250 invested pays back \$750.

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