

420 Real Estate LLC
For the One Month Ended April 30, 2019
With Independent Accountant's Review Report

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420 Real Estate LLC
Financial Statements
For the One Month Ended April 30, 2019

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Independent Accountant's Review Report

The Board of Directors
420 Real Estate LLC

I have reviewed the accompanying financial statements of 420 Real Estate LLC, which comprises the balance sheet as of April 30, 2019, and the related statements of income, changes in members' equity, and cash flow for the one month then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Fiona Hamza, CPA



Plano, Texas
May 2, 2019

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420 Real Estate LLC

Balance Sheet

	<u>April 30, 2019</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 40
Total current assets	<u>40</u>
Other assets	-
Total assets	<u>\$ 40</u>
Liabilities and Members' equity	
Current liabilities:	
Trade and other payables	-
Total current liabilities	-
Long-term obligations	-
Total liabilities	-
Members' equity:	
Willard L Jackson, Jr.	40
Total Members' equity	<u>40</u>
Total liabilities and Members' equity	<u>\$ 40</u>

See Independent Accountant's Review Report.

420 Real Estate LLC
Statements of Operations
For the One Month Ended April 30,

	<u>2019</u>
Revenues	\$ -
Expenses:	
Start-up expenses	300
Travel and Meals	-
Website hosting	-
Total operating expenses	<u>300</u>
Net loss	<u><u>\$ (300)</u></u>

See Independent Accountant's Review Report.

420 Real Estate LLC

Statements of Changes in Members' Equity

	<u>Willard L. Jackson, Jr.</u>
Balance at December 31, 2017	\$ -
Plus: Members' Contributions	340
Less: Net Loss	(300)
Balance at April 30, 2019	<u><u>\$ 40</u></u>

See Independent Accountant's Review Report.

420 Real Estate LLC

Statements of Cash Flows

	<u>April 30, 2019</u>
Operating activities	
Net income	\$ (300)
Increase in trade receivables	-
Decrease in trades payables	-
Net cash used by operating activities	<u>(300)</u>
Investing activities	
Property Plant and equipment	-
Net cash used in investing activities	<u>-</u>
Financing activities	
Proceeds from capital contributed	<u>340</u>
Net cash provided by financing activities	<u>340</u>
Net increase in cash and cash equivalents	40
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	<u>\$ 40</u>

See Independent Accountant's Review Report.

420 Real Estate LLC
Notes to Financial Statements
April 30, 2019

1. Business and Summary of Significant Accounting Policies

Description of Business and Basis of Presentation

420 Real Estate LLC (the Company) is a development stage Texas corporation. The Company is a diversified investment vehicle that is focused on the acquisition of licensed medical cannabis real estate. They plan to acquire existing industrial real estate assets that can be converted to or are currently operating as medical hemp cultivation facilities and then entering into triple-net lease transactions with experienced state-licensed medical hemp operators. This lease agreement allows the tenant to pay for the maintenance of the property, taxes and insurance.

Use of estimates:

The preparation of financial statements is in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist primarily of short-term investments in overnight money market funds.

Property and Equipment, Net

Property and equipment are recorded at cost, net of accumulated depreciation. Depreciation is computed using a straight-line mid-month convention over the estimated useful lives of the assets, which for furniture and fixtures, computer equipment, rental assets and most software range primarily from three to five years.

Repairs and maintenance performed on equipment or software are expensed as incurred.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, the services have been provided to the customer, payments are considered fixed or determinable, and collectability from the customer is reasonably assured.

See Independent Accountant's Review Report.

420 Real Estate LLC
Notes to Financial Statements (continued)
April 30, 2019

Income Tax Expense

At year-end, the Company has retained its election to be taxed as a partnership for federal and state tax purposes. Accordingly, the Company is not subject to income taxes in any jurisdiction. Each member is responsible for the tax liability, if any, related to its proportionate share of the Company's taxable income. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

2. Membership Units

The relative rights, powers, preferences, qualifications, limitations, and restrictions of the Membership units, are as follow:

Each unit is entitled to one vote.

3. Commitments and Contingencies

None exists at the time of the issuance of this report, May 2, 2019.

See Independent Accountant's Review Report.