

WeCann

Cannabis | Real Estate | Licensing | Advocacy

OFFERING MEMORANDUM

5860 88TH ST,
SACRAMENTO, CA 95828

NNN LEASED INVESTMENT | SINGLE-TENANT CANNABIS CULTIVATION FACILITY



INVESTMENT SUMMARY

\$9,900,000 Asking Price	10.02% In-Place Cap Rate	\$992,256 Annual NOI	~8 Years Lease Term Remaining	Connected Cannabis Co. Tenant / Guarantor
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Tenant	Connected Cannabis Co.
Guarantor	Connected International Inc.
Structure	Triple Net (NNN)
Monthly Rent	\$82,688 Base Rent + NNN
Lease Expiration	Mar 31, 2034
Renewals	2 x 5-year options
Property Use	Cannabis Cultivation / Production
License Type	Cultivation
Payment History	Zero late payments

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PROPERTY DETAILS

Address	5860 88th St, Sacramento, CA 95828
Total SF	41,600 SF
Land / Parcel	101,930 SF (2.34 AC)
Year Built	1979
Zoning	M-2S (Heavy Industrial)
Power	3,500 AMPS - 480v - 3P
Parking	On-site, large industrial parcel

LEASE DETAILS

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Lease Expiration	Mar 31, 2034
Renewals	2 x 5-year options
Escalation	12.5% Every 5 Years
License	Cultivation
Payment History	Zero late payments

PROFORMA: IN-PLACE INCOME

\$992,256

In-Place (Current)

10.02%

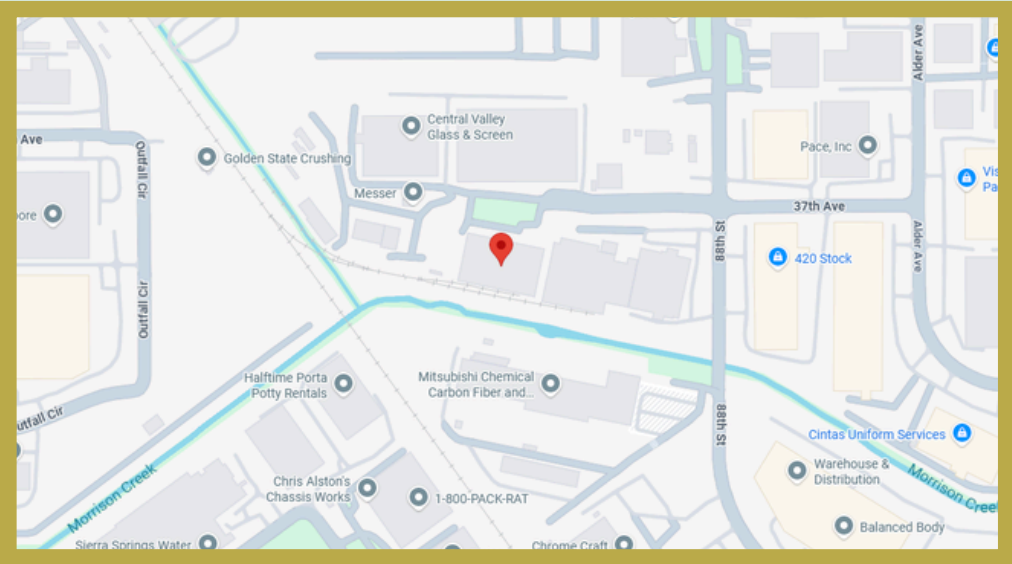
Cap Rate at Asking Price

The lease generates \$992,256 in annual NOI – a 10.02% cap rate at the asking price of \$9,900,000. Connected International Inc. provides a corporate guaranty, the rent is NNN, and there has not been a single late payment for 7+ years.

CAP RATE GROWTH OVER LEASE TERM

YEAR	CAP RATE
Current	10.02%
2029 (+12.5%)	11.28%
2034 (Renewal 1 +12.5%)	12.68%
2039 (Renewal 2 +12.5%)	14.27%

LOCATION OVERVIEW



[Click HERE for more pictures of the property.](#)

THE TENANT

Connected Cannabis Co. is one of California's most respected and financially strong cannabis operators. Founded in 2009 by CEO Caleb Counts in Sacramento, the company pioneered the designer genetics category and built a national reputation for premium, strain-specific flower. It is a fully vertically integrated multi-state operator spanning cultivation, production, distribution, and retail across California, Arizona, and Florida. Its Alien Labs partnership sets the quality standard for the California market. Connected distributes across 175+ dispensaries statewide and has raised \$55M+ in institutional capital.

METRIC	VALUE
Capital Raised	\$55M+
2025 EBITDA	\$9.5M
2026 EBITDA (Projected)	~\$15.0M
EBITDA Growth YoY	~58%
Payment History	Zero late payments

THE LICENSE ADVANTAGE: ADDRESS LOCK

A cannabis cultivation license is tied to a specific address. Connected cannot simply move its Sacramento cultivation operations — it must begin a multi-year regulatory process from scratch. That structural occupancy motivation is a direct and durable support for the current rent level. At 41,600 SF, this facility represents one of the largest single-tenant cannabis cultivation footprints in the Sacramento market.

ZERO MISSED PAYMENTS

Every rent payment has been made in full and on time since lease inception. This is a documented operating history supported by payment records in the diligence package.

RENT CONTEXT

USE	RATE/SF/MO	PREMIUM
Connected In-Place (cannabis cultivation)	\$1.99/SF	59%
Standard Industrial Market (Power Inn submarket)	\$1.25/SF	Baseline

CAP RATE CONTEXT

MARKET BENCHMARK	CAP RATE
Sacramento Industrial NNN (closed sales, non-cannabis)	5.5% to 6.5%
This Offering at \$9,900,000	10.02%

Connected’s in-place rent reflects a 59% premium above what a conventional industrial tenant would pay in this submarket. That gap is the source of the yield advantage — and the subject of the downside analysis on the following page.

DOWNSIDE PROTECTION UNDERWRITING

The downside case at 5860 88th St is materially stronger than most cannabis NNN offerings because of two specific factors: the property's own physical quality, and a modest asking price relative to conventional value.

SOLID INFRASTRUCTURE = HIGHER RENTS

Unlike many cannabis cultivation facilities that are functionally compromised for conventional re-use, 5860 88th St features heavy power infrastructure, upgraded systems, and a large 2.34-acre M-2S site that make it genuinely attractive to a broad range of industrial tenants. WeCann's assessment is that a conventional tenant could reasonably be expected to pay \$1.25/SF/mo in this submarket – above the standard baseline – supported by the property's infrastructure and the Power Inn corridor's consistent leasing demand.

SCENARIO COMPARISON	CANNABIS TENANTED (CONNECTED)	CONVENTIONAL RE-TENANTED
Rent Premium vs. Market	59%	None
NNN Rent / SF / Mo	\$1.99	\$1.25
Monthly Rent	\$82,688	\$52,000
Annual Net Income (NNN)	\$992,256	\$624,000
Cap Rate at Asking (\$9,900,000)	10.02%	6.30%

WHAT THE CONVENTIONAL FLOOR LOOKS LIKE

In the Sacramento market, closed non-cannabis industrial NNN sales have traded at cap rates ranging from 5.5% to 6.5%. Using \$1.25/SF/mo market rent, the conventional value of this property falls between \$9,600,000 and \$11,345,455 depending on the cap rate applied. At the asking price of \$9,900,000, a re-tenanting at standard market rents would produce a 6.30% cap rate – squarely within the local conventional cap rate range. Notably, the asking price itself falls within the conventional market value range of \$9,600,000–\$11,345,455, meaning buyers are acquiring a proven NNN cannabis asset at a price already validated by conventional industrial market fundamentals. The cannabis premium is pure upside.

STANDARD MARKET VALUE RANGE	5.5% Cap	6.0% Cap	6.25% Cap	6.5% Cap
Implied Value at \$1.25/SF Market Rent	\$11,345,455	\$10,400,000	\$9,984,000	\$9,600,000
Value Per SF	\$272/SF	\$250/SF	\$240/SF	\$231/SF

WHY THIS MATTERS

At \$237.98/SF asking price, the gap between the cannabis value and the conventional floor is measured in hundreds of thousands – not millions. The cannabis premium generates \$368,256 in above-market NOI annually (\$992,256 minus \$624,000). That premium is the upside. The building’s physical quality and M-2S zoning are what secure its long-term value

SACRAMENTO: INDUSTRIAL MARKET

Sacramento is one of California's fastest-growing industrial markets, benefiting from proximity to the Bay Area, strong logistics infrastructure, and a rapidly maturing cannabis ecosystem. The 88th Street corridor in Southeast Sacramento is one of the city's primary cannabis industrial zones, a concentration of licensed cultivation, manufacturing, and distribution operations anchored by M-2S heavy industrial zoning and proximity to the I-5 and US-50 interchange.

SACRAMENTO INDUSTRIAL MARKET

METRIC	DATA
Industrial Vacancy	~5.5%
Standard NNN Rent (Power Inn)	\$1.10 to \$1.25/SF/mo
Cannabis Rent Premium (this property)	58%
Total Cannabis Businesses (Sacramento)	100+
Cultivation Licenses (city)	Strictly limited

88TH ST SUBMARKET HIGHLIGHTS

METRIC	DATA
Zoning	M-2S (Heavy Industrial)
Freeway Access	I-5 and US-50 within minutes
Rail Access	Adjacent (Morrison Creek corridor)
Cannabis Density	High — active cluster
Site Size	2.34 AC / 101,930 SF

WHY LOCATION MATTERS FOR CANNABIS CULTIVATION

A cannabis cultivation license is tied to a specific address. Unlike retail, a licensed cultivation facility represents fixed, permitted production capacity that cannot be replicated elsewhere without a new license application — a multi-year, uncertain process. This address lock creates deep structural occupancy motivation: Connected cannot move its Sacramento cultivation operations without starting the regulatory process from scratch.

CONNECTED'S SACRAMENTO ROOTS

Connected Cannabis was founded in Sacramento in 2009. The 88th Street facility is not just a lease address — it is core infrastructure in the geographic origin of the company. Sacramento cultivation is integral to Connected's vertically integrated supply chain, its brand identity, and its relationships with retail partners across California. At 41,600 SF, this is the flagship cultivation footprint of one of the state's premier operators.



SACRAMENTO CANNABIS CONTEXT

California generates approximately \$5.4 billion in annual cannabis sales. Sacramento, home of the California Department of Cannabis Control, is one of the most legally mature and operationally stable cannabis markets in the state. Cultivation addresses in established industrial zones represent a finite, permitted supply of production capacity that is increasingly difficult to replicate.



THREE-PROPERTY CONNECTED CANNABIS NNN PORTFOLIO

5860 88th St is one of three properties being marketed by WeCann, each individually and as a combined portfolio. All three are leased NNN to Connected Cannabis Co. on identical 15-year terms expiring March 31, 2034, with 2 x 5-year renewal options. The portfolio spans two California cannabis license categories: retail dispensary in San Francisco and industrial cultivation in Sacramento.

Combined annual portfolio NOI: \$1,873,812 at a blended cap rate of approximately 10.92% at combined asking prices. A portfolio buyer benefits from a consolidated tenant relationship, co-terminus leases, and coordinated diligence.

PROPERTY	TYPE	MONTHLY NOI	ASKING PRICE
5232-5234 Mission St, San Francisco	Retail	\$50,625	\$4,500,000
5860 88th St, Sacramento (this offering)	Industrial	\$82,688	\$9,900,000
8111 37th Ave, Sacramento	Industrial	\$22,838	\$2,740,000
PORTFOLIO TOTAL	Mixed	\$156,151/mo	\$17,140,000

BUYER PROFILES

BUYER TYPE	PROPOSITION
NNN Investor	10.02% cap NNN with corporate guaranty from Connected International Inc. and zero defaults. The downside protection underwriting shows a conventional floor of 6.3% at asking price, grounded in \$1.25/SF market rent and the property's above-average infrastructure.
1031 Exchange	Long NNN term, corporate guaranty, above-market yield, and permanent 100% bonus depreciation (July 2025) enhance after-tax economics through cost segregation on a 41,600 SF industrial building.
Cultivation Investor	Direct exposure to California's most mature cannabis production market at scale. 41,600 SF with an address-locked cultivation license — irreplaceable production infrastructure with supply-chain strategic value that deepens tenant occupancy motivation beyond rent economics.

WECANN: THE TEAM

Founded in 2017, WeCann has brokered over \$300M in cannabis real estate and business assets. With over 40 years of combined commercial real estate experience between its founders — Jason Piazza, specializing in cannabis-leased investment sales, M&A, and commercial brokerage, and Meilad Rafiei, leading finance, compliance, and business development — WeCann is one of the most trusted cannabis-focused real estate and advisory firms in the country. Through the nationwide CREC Network, WeCann extends reach to virtually any U.S. market.



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