



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

1. Name of issuer: 420 Real Estate, LLC

## ELIGIBILITY

2. ☒ Check this box to certify that all of the following statements are true for the issuer:
- ☐ Organized under, and subject to, the laws of a State or territory of the United States or the District of Columbia.
  - ☐ Not subject to the requirement to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.
  - ☐ Not an investment company registered or required to be registered under the Investment Company Act of 1940.
  - ☐ Not ineligible to rely on this exemption under Section 4(a)(6) of the Securities Act as a result of a disqualification specified in Rule 503(a) of Regulation Crowdfunding. (For more information about these disqualifications, see Question 30 of this Question and Answer format).
  - ☐ Has filed with the Commission and provided to investors, to the extent required, the ongoing annual reports required by Regulation Crowdfunding during the two years immediately preceding the filing of this offering statement (or for such shorter period that the issuer was required to file such reports).
  - ☐ Not a development stage company that (a) has no specific business plan or (b) has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies.
3. Has the issuer or any of its predecessors previously failed to comply with the ongoing reporting requirements of Rule 202 of Regulation Crowdfunding? ☐ Yes ☒ No
- Explain: \_\_\_\_\_



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### DIRECTORS OF THE COMPANY

4. Provide the following information about each director (and any persons occupying a similar status or performing a similar function) of the issuer:

Name: Willard L. Jackson, Jr. Dates of Board Service: April 2019 to present

Principal Occupation: CEO, Director, Chairman

Employer: 420 Real Estate, LLC Dates of Service: April 2019 to present

Employer's principal business: \_\_\_\_\_

List all positions and offices with the issuer held and the period of time in which the director served in the position or office:

Position: CEO Dates of Service: 4/2019 to present

Position: Director Dates of Service: 4/2019 to present

Position: Chairman Dates of Service: 4/2019 to present

Business Experience: List the employers, titles and dates of positions held during past three years with an indication of job responsibilities:

Employer: CVG Group, LLC

Employer's principal business: Private investment and management company

Title: Vice-Chairman Dates of Service: 4/2015 to present

Responsibilities: Portfolio management

### OFFICERS OF THE COMPANY

5. Provide the following information about each officer (and any persons occupying a similar status or performing a similar function) of the issuer:

Name: Willard Jackson, Jr.

Title: CEO Dates of Service: April 2019 to present

Responsibilities: Seek and structure asset acquisitions

List any prior positions and offices with the issuer and the period of time in which the officer served in the position or office: None

Business Experience: List any other employers, titles and dates of positions held during past three years with an indication of job responsibilities:

Employer: CVG Group, LLC

Employer's principal business: Private investment and management company

Title: Vice-Chairman Dates of Service: 4/2015 to present

Responsibilities: Portfolio management

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## PRINCIPAL SECURITY HOLDERS

6. Provide the name and ownership level of each person, as of the most recent practicable date, who is the beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power.

<i>Name of Holder</i>	<i>No. and Class of Securities Now Held</i>	<i>%Voting Power Prior to Offering</i>
<i>Willard L. Jackson, Jr.</i>	500,000 Units of Membership Interest	<b>100%</b>

## BUSINESS AND ANTICIPATED BUSINESS PLAN

7. Describe in detail the business of the issuer and the anticipated business plan of the issuer.

### EXECUTIVE SUMMARY

#### Real Estate Acquisition and Leasing

420 Real Estate LLC, is a diversified investment vehicle that acquires and leases specialized real estate assets. Our senior management team has significant experience in all aspects of the real estate industry, including acquisitions, dispositions, leasing, development, management and finance.

#### Special Purpose Industrial Real Estate

Our strategy is to acquire existing industrial real estate assets that can be converted to or are currently operating as hemp cultivation facilities. We will then enter 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. Our company was attracted to the hemp sector due to the attractive rental market of State-Licensed Medical Hemp tenants paying higher rents than typical industrial sector tenants. Therefore, providing a higher annual Net Operating Income and above market Internal rate of returns for our investors.

We plan to finance our acquisitions and growth from the proceeds from fund raising efforts, through equity and debt offerings. Our targeted range of investment will be in the range of \$1 Million to \$40 Million and average size of building will be between 25,000 Square feet and 100,000 Square Feet. For land acquisitions 1 Acre to 10 Acres.

We are actively seeking and evaluating hemp facilities to purchase with the net proceeds of capital that we raise through our offerings. Our goal is to acquire multiple facilities over the next few years. Our senior management team has identified and is in various stages of reviewing in excess of \$50 million of potential properties for acquisition, which amount is estimated based on preliminary discussions with sellers or our internal assessment of the values of such properties.

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## The US Farm Bill

After a lengthy process through Congress, the President signed into law The Agriculture Improvement Act of 2018 (the 2018 Farm Bill) on Dec. 20, 2018. The bill replaces the Agriculture Improvement Act of 2014, which expired Sept. 30, 2018. Distributing more than \$850 billion, the 2018 Farm Bill is an enormous piece of legislation that funds programs such as crop insurance, school lunches and the Supplemental Nutrition Assistance Program (SNAP), aka food stamps.

Integrated into the Farm Bill is the bipartisan-supported Hemp Farming Act of 2018. The act's inclusion is significant: industrial hemp and its derived products now are legal on a federal level, and states may choose how to move forward in this exciting new industry.

The Hemp Farming Act federally legalizes the production of industrial hemp (defined as *Cannabis sativa L.* plants containing less than three-tenths of a percent of tetrahydrocannabinol (THC)). The low concentration of THC makes hemp unsuitable for marijuana production, which remains federally illegal.

The 2018 Farm Bill abolishes this inconsistent treatment by removing industrial hemp from the definition of "marihuana" in the CSA. In addition, THC contained in industrial hemp will be removed from the purview of the CSA, making clear that industrial hemp plants can be grown domestically as well as imported. This amendment to the CSA decriminalizes the production and use of hemp and its derived products that match the definition of industrial hemp, such as seed oil, CBD oil, fibers and paper.

Industrial hemp will not be entirely unregulated, however. The 2018 Farm Bill moves regulatory authority from the CSA and DEA to the Agricultural Marketing Act of 1946 (AMA) and the Department of Agriculture. The AMA authorizes and directs the Secretary of Agriculture to carry out programs to assist the production, transportation and marketing of crops. Now that the Hemp Farming Act of 2018 is law, hemp will be treated the same as any other legal crop by the Department of Agriculture, with a few caveats based on its previous status as a controlled substance and the potential for unscrupulous growers to cultivate strains with high THC levels.

As part of the amendment, State and Tribal governments can create their own regulatory framework for industrial hemp production. Those plans must include:

- a practice to record and describe land on which hemp is grown;
- a procedure for testing THC concentration;
- a procedure for non-compliant product disposal; and
- a procedure for enforcing regulations.

## Hemp research

One of the goals of the 2014 Farm Bill was to generate and protect research into hemp. The 2018 Farm Bill continues this effort. Section 7605 re-extends the protections for hemp research and the conditions under which such research can and should be conducted. Further, section 7501 of the Farm Bill extends hemp research by including hemp under the Critical Agricultural Materials Act. This provision recognizes the importance, diversity, and opportunity of the plant and the products that can be derived from it, but also recognizes an important point: there is still a lot to learn about hemp and its products from commercial and market perspectives. Yes, farmers—legal and illegal—already know a lot about this plant, but more can and should be done to make sure that hemp as an agricultural commodity remains stable.

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### Market Opportunity

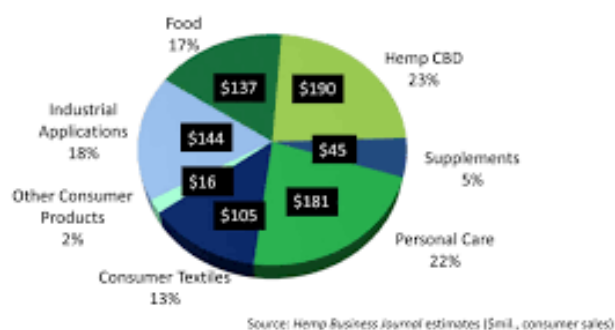
#### *The Industrial Real Estate Sub-Market*

The industrial real estate sub-market currently is performing quite well with vacancies in most, if not all, markets at historical lows due to many factors, including the move away from retail locations to local distribution locations for online retailers. The evolution of retail shopping is driving industrial real estate demand. Green Street Advisors estimates the increase in Ecommerce has led to a 20% annual increase in industrial real estate demand, equating to 30-40 million square feet of space. Green Street estimates 1 million square feet of additional industrial space is required for every \$1 billion in online sales. Same day delivery, transportation expenses and access to a strong labor pool are creating the need for Ecommerce tenants to increase the quality of their locations. Leasing or owning industrial properties well outside of urban markets to take advantage of lower costs no longer works in an environment in which same day delivery is expected by customers. Demand from Ecommerce distribution is putting pressure on other non-traditional users of industrial space creating a great backdrop for owners of industrial real estate.

According to Collier's International, the U.S. industrial vacancy rate declined for the 22nd consecutive quarter in the first quarter of 2016, declining 10 basis points to 6.3% and down 70 basis points from the first quarter of 2015. Almost 64 million square feet of industrial real estate was absorbed in the first quarter of 2016, an increase of 9.6% year over year. Due to the lower vacancy rate, asking rates increased for the 18th consecutive quarter, according to Colliers.

This supply/demand dynamic creates significant opportunity for owners of industrial facilities, particularly those focused on niche categories, as options are limited for tenants requiring specialized buildings.

### \$820 Million U.S. Hemp-Based Product Sales by Category in 2017



### U.S. Hemp-Based CBD Product Sales in the Natural & Specialty Retail Channel, 2014-2020e



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## ***Hemp Growth in the US***

Hemp's remarkable growth is drawing the attention of a diverse group of investors, entrepreneurs and policymakers. Many new entrants to the hemp industry have no familiarity with cannabis; others are longtime marijuana operators looking for new opportunities. All are facing dramatic headwinds as hemp processing struggles to keep up with investor and consumer enthusiasm for the plant. The following is a list of the nation's top 10 hemp-growing states.

### **Colorado**

No hemp discussion goes far in the United States without a mention of Colorado, where more than half the nation's 2017 hemp production occurred. While Kentucky technically licensed more acres in 2017, Colorado has more acres in production, more farmers growing the crop, more processors extracting CBD from hemp and more market opportunities for selling the plant than any other state. Colorado allowed hemp production long before Congress authorized a revived industry with the 2014 Farm Bill. Colorado farmers began putting hemp seeds in the ground months after voters legalized recreational marijuana in 2012. But success comes at a price. And in Colorado right now, that price is falling prices for growers, as well as ongoing headaches finding places to sell all the hemp Colorado is cultivating.

### **Kentucky**

Kentucky checks all the boxes for nourishing a hemp revival. A climate well-suited for the plant, friendly regulations from a state willing to experiment and invest in hemp, and a processing infrastructure that includes in-state decortication and CBD extractors. Kentucky agronomists speculate that the state's hemp production has met demand, though strong hemp interest from former tobacco farmers could make Kentucky the epicenter of a shift in the sector away from Western states and to former top tobacco-producing regions. But Kentucky's approved total acreage for hemp in 2018 is down slightly from 2017, from 12,800 acres to 12,018 acres. And though Kentucky authorized 12,800 acres for hemp last year, only about 3,200 acres were planted.

### **Oregon**

Oregon has a well-established network of hemp growers and processors, plus a sweeping new testing regime that helps boost its position in the hemp industry. Its 2017 testing law requires hemp producers to give their products the same testing as marijuana, meaning Oregon hemp products will be food-grade quality and tested for pesticides and contaminants. This could position Oregon hemp products for national dominance, an attractive proposition for growers in this Pacific Northwest state.

### **North Dakota**

With more than 3,000 acres in active production and an unparalleled system for getting viable, certified seeds to interested growers, North Dakota could one day be the leader in hemp – just as it is for other agricultural commodities from corn to flaxseed. But North Dakota has natural enemies that limit hemp's ability to thrive, as well as manmade issues that curb the plant's potential uses. The state's 2017 drought plagued hemp growers in western North Dakota; four farmers lost hundreds of acres each. The water woes could reduce interest in a crop for which production and seed costs are much higher than other row crops, according to state agriculture officials.

### **Minnesota**

Minnesota has an abundance of wild hemp descended from World War II-era crops, and the state's northern latitude makes it a natural fit for hemp varieties already growing in Canada. The state has allowed modern hemp production since 2016 and has flexible rules on how the crop can be used. But no Minnesota hemp grower has reported a profit yet. Hemp growers in Minnesota report processing delays and legal confusion, plus natural pests that make hemp production difficult for novice farmers. But Minnesota's small hemp industry has plentiful enthusiasm, with farmers optimistic about the prospects for growing a profitable industry.

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## New York

New York joined the nation's hemp movement in earnest in 2017, when Gov. Andrew Cuomo invited hemp entrepreneurs to compete for \$5 million in development grants. New York's investment to promote hemp cultivation and processing represented a national first. Most states have industrial hemp programs. But the programs are funded largely through fees paid by farmers to state departments of agriculture, with the growers getting little in return by way of promoting the plant or finding buyers or processors for the crop.

## North Carolina

North Carolina has gone all-in on hemp, which state officials see as a natural fit for an economy once dominated by tobacco farming and textile manufacturing. North Carolina finished its hemp-growing season in 2017 with more growers, more acres and more processors than any other state in its first year of hemp production.

## Tennessee

Tennessee's high humidity and rainfall of 50-plus inches a year create a challenge for farmers looking to grow a plant that thrives in more arid climates. Still, Tennessee hemp entrepreneurs are hopeful as they try to develop cultivars for the damp environment. The state permits valuable CBD extraction and has no legal impediment to selling finished hemp products, a huge boost for farmers that grow the plant.

## Vermont

Vermont has the nation's loosest hemp regulations and a latitude that makes it an easy fit for hemp cultivars developed in Canada and northern Europe. But Vermont's hemp growers have reason to worry, too. And as the state implements regulations for recreational marijuana, hemp producers could be handed a whole new set of guidelines, with uncertain implications.

## Nevada

Hemp farms in rural northern and southern Nevada are struggling to keep up with booming demand for flower for CBD production. As a result, growers report prices of up to \$350 a pound for quality, high-CBD varieties – nearly 10 times what midgrade hemp flower sells for in Colorado. Nevada growers are adding acreage and processing equipment – and hoping their luck doesn't run out before hemp growers in states with better water supply and milder temperatures overtake them. But Nevada growers also are bracing for new entrants from California, and they're looking for new hemp uses in animal feed and industrial markets.

We believe that the foregoing conditions create a unique window for investment in industrial real estate assets that are uniquely suitable for tenants in the regulated medical-use cannabis industry. We anticipate that future changes in federal and state laws may ultimately open up financing options that have not been available to date in this industry. We believe that such changes will take time, thereby creating an opportunity over the next few years to provide our sale-leaseback solutions to state-licensed industry participants.

We plan to take advantage of this market opportunity by purchasing the facilities of state-licensed growers with a focus on properties that we believe also have potential for long-term appreciation in value. We believe that our sale-leaseback solutions offer an attractive alternative to licensed cultivators who lack access to traditional financing alternatives.

## Our Competitive Strengths

We believe that we have the following competitive strengths:

- *The Experience of Our Executive Management Team.* Our senior management team have substantial experience in the real Estate industry and sophisticated finance and capital markets expertise.



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- *Focus on Recurring and Dependable Revenue.* Our business strategy will focus on acquiring real estate assets from and entering into long-term net leasing arrangements with licensed medical- use cultivators, which we believe will support a recurring and dependable revenue base from the properties that we expect to acquire.
- *Focus on Underserved Industry with Less Competition.* Our business strategy of focusing on specialized industrial real estate assets leased to tenants in the regulated medical-use cannabis industry may result in significantly less competition from existing institutional buyers due to the unique nature of the real estate and its tenants. Moreover, we believe the banking industry's general reluctance to finance owners of these facilities coupled with the owners' need for capital to fund the growth of their operations will result in significant opportunities for us to acquire specialized industrial properties that provide stable and increasing rental revenue along with the potential for long-term appreciation in value.
- *Positive Trends.* Based on the growth projections for the hemp industry, we expect to see significant spending by state-licensed medical- use cannabis cultivators on their existing and new medical-use cannabis facilities.

## Our Financing Strategy

We intend to meet our long-term capital needs by entering the public market and issuing common stock, preferred stock and long- term notes. We may issue preferred stock or debt securities. We may issue common stock, preferred stock, and long-term notes when we believe that our share price is at a level that allows for the proceeds of any offering invested in additional properties to be accretive. We may also issue common stock to permanently finance properties that were financed by debt securities. However, we cannot assure you that we will have access to the capital markets at times and on terms that are acceptable to us.

## Cultivation

In some cases, the real estate assets/facilities that we acquire or lease, we may also finance, build, operate and manage our own regulated medical-use cannabis cultivation business utilizing the expertise of our strategic partners. This strategy will be a complete seed to sell operation that will comply with all state laws and regulations for the medical-use cannabis industry.

## SELECTED FINANCIAL DATA

### Use of Proceeds

The Company's intended uses for the proceeds from this Offering include but are not limited to:

- Expanding infrastructure for additional acquisitions; and
- general corporate purposes including working capital.

For more detailed information, see the "Use of Proceeds" section of this Memorandum.

The Company was incorporated April, 2019 and as such has not generated revenues and has little-to-no material financial history or past issues. At a time deemed appropriate by our Board of Directors, the Company will engage accountants to perform an audit of the Company's financials. Prospective investors may contact the Company directly and request a copy of our financial statements.

## RISK FACTORS

**A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.**



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In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

8. Discuss the material factors that make an investment in the issuer speculative or risky:

**This is a brand-new company.** We were formed in 2019, have only recently launched our website, and have no revenues. If you are investing in this company, it's because you believe in the idea and the market opportunity, the quality of the team, and the direction of the business to date.

**We will have access to your investment proceeds without regard to any minimum dollar amount that we raise.**

There can be no assurance that we will raise sufficient funds to commence operations which may result in the entire loss of your investment.

**We have limited operations to date.**

We have limited operations to date, and limited cash available for operations. We will be reliant on the proceeds of this offering to implement our business plan. As a result, it will be difficult for you to evaluate our potential future performance without the benefit of an established track records from companies implementing a similar investment strategy. We may encounter unanticipated problems implementing our investment strategy, which may have a material adverse effect on our results of operations. Accordingly, no assurance can be given that we will be successful in implementing our investment strategy or that we will be successful in achieving our objective. Our prospects for success must be considered in the context of a new company with limited resources in a highly competitive industry. As a result, investors may lose their entire investment.

**Our rental obligations and working capital requirements will put significant strain on our operations and cash flow.**

Our monthly rental obligations and working capital requirements are substantial. Until the sale of our first harvest, if at all, we will require the proceeds of this offering to implement our business plan. If our cultivation fails or we do not generate sufficient revenues from our crop(s), it is unlikely that the Company will be able to make interest payments or repay the outstanding principal balance of the Note. Should this occur, you will lose your entire investment.

**We may not generate sufficient revenues to satisfy our contractual obligations under the Note.**

Our operating costs and capital requirements may prohibit us from paying interest on the Note. Moreover, if costs and capital expenditures exceed revenues, we will not be able to repay the outstanding principal balance due under the Note.

**If we are unable to obtain capital, we may not be able to pay our debt obligations as they become due, and there is substantial doubt about our ability to continue as a going concern.**

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We may not generate sufficient cash flows from operations to retire our debt. Our ability to continue as a going concern is dependent upon our becoming profitable in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. However, there can be no assurance that we will be successful in achieving these objectives.

**We will need additional capital to sustain our operations and will likely need to seek further financing, which we may not be able to obtain on acceptable terms or at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised.**

We have limited capital resources and operations. We require substantial capital to commence operations. We may not be able to obtain additional financing on terms acceptable to us, or at all. We have no commitments for further funding.

**We face intense competition and many of our competitors have greater resources that may enable them to compete more effectively.**

The industry in which we operate in general are subject to intense and increasing competition. Some of our competitors may have greater capital resources, facilities, and diversity of product lines, which may enable them to compete more effectively in this market. Our competitors may devote their resources to developing and marketing products that will directly compete with our product lines.

**We depend on our management, certain key personnel and board of directors, as well as our ability to attract, retain and motivate qualified personnel.**

Our future success depends largely upon the experience, skill, and contacts of our officers and directors, and the loss of the services of these officers or directors, particularly our chief executive officer and chairman of our board of directors, may have a material adverse effect upon our business. Additionally, our revenues are largely driven by several employees with particular expertise in cannabis-related security, marketing and operations. If one of these key employees were to leave, it would negatively impact our short and long-term results from operations. Shortages in qualified personnel could also limit our ability to successfully implement our growth plan. As we grow, we will need to attract and retain highly skilled experts in the cannabis industry, as well as managerial, sales and marketing, security and finance personnel. There can be no assurance, however, that we will be able to attract and retain such personnel.

**If the Company incurs commercial debt, there may be risks associated with such borrowing.**

If the Company incurs commercial indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants, which may impair the Company's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of shareholders of the Company. A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

**There may be unanticipated obstacles to the execution of the Company's business plan.** The Company's business plans may change significantly. Our business plan is capital intensive. We believe that our chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of our principals and advisors. Our management reserves the right to make significant modifications to its stated strategies depending on future events. Investors must be prepared for these potential modifications to stated strategies and understand the inherent risk to their investment that these modifications could pose.

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**Business may not grow as planned.** The Company's ability to identify real estate, invest, close and penetrate the market is dependent on its ability to maintain successful relationships with brokers and agents. Beyond the Company's limited financial means, other external factors such as the level of available real estate and the number of competitive investors. All of these factors will play a key role in the success of the Company, and if the business does not grow as planned, investors could be at risk of losing their investment due to the potential unsuccessful nature of the Company.

**Other economic and public health conditions in the markets in which we operate, including rising commodity and fuel prices, higher labor costs, increased transportation costs, natural disasters, terrorist attacks, outbreaks of public health pandemics or other diseases, or third party conduct could negatively impact our business.** Various economic and public health conditions can have a significant negative impact on our business. Economic conditions may also be negatively impacted by terrorist attacks, wars and other conflicts, increases in critical commodity prices, or the prospect of such events. Such a weakened economic and business climate, as well as consumer uncertainty created by such a climate, could harm our revenues and profitability.

**Shares are not guaranteed and could become worthless.** The Shares are not guaranteed or insured by any government agency or by any private party. The amount of earnings is not guaranteed and can vary with market conditions. The return of all or any portion of capital invested in the Shares is not guaranteed, and the Shares could become worthless.

**We will have broad discretion on how the net proceeds of this private placement are utilized.**

The Company has broad discretion on how to allocate the proceeds received as a result of this private placement and may use the proceeds in ways that differ from the proposed uses discussed in this Offering Statement. If the Company fails to spend the proceeds effectively, our business and financial condition could be harmed and there may be the need to seek additional financing sooner than expected.

### THE BOTTOM LINE:

If we do well, the security should do well also, yet life offers no guarantees, and neither can we. If we make mistakes or have unforeseen things happen to us, our suppliers or the world, we can make little or no profit and can be driven out of business.

Please only invest what you can afford to lose

### THE OFFERING

9. What is the purpose of this offering?

The primary objective of this offering will be to fund our marketing and advertising with the purpose of sourcing real estate acquisitions in the hemp and/or cannabis spaces. We think there's room for everyone and anyone to participate in this opportunity to invest in real estate that supports the hemp industry.

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10. How does the issuer intend to use the proceeds of this offering?

	Minimum Offering Amount Sold	Maximum Offering Amount Sold
Total Proceeds	\$10,000.00	\$1,070,000
Less: Offering Expenses (FP Fees)	\$550.00	\$58,850
Net Proceeds	\$9,450.00	\$1,011,150
Use of Net Proceeds		
Marketing & Advertising	\$5,000.00	\$537,450
Legal	\$2,050.00	\$97,370
Property Acquisition	\$ -	\$278,960
Admin	\$2,400.00	\$97,370
Total Proceeds	\$9,450.00	\$1,011,150

11. How will the issuer complete the transaction and deliver securities to the investors?

The Company has set a minimum offering proceeds figure (the “minimum offering proceeds”) for this Offering of \$10,000. After the Minimum Offering Proceeds, have been reached, and the company decides to close the offerings, the company will engage a Stock Transfer Agent to transfer the Securities to the newly acquired security holders.

12. How can an investor cancel an investment commitment?

**NOTE: Investors may cancel an investment commitment until 48 hours prior to the deadline identified in these offering materials.**

The intermediary will notify investors when the target offering amount has been met.

If the issuer reaches the target offering amount prior to the deadline identified in the offering materials, it may close the offering early if it provides notice about the new offering deadline at least five business days prior to such new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment).

If an investor does not cancel an investment commitment before the 48-hour period prior to the offering deadline, the funds will be released to the issuer upon closing of the offering and the investor will receive securities in exchange for his or her investment.

If an investor does not reconfirm his or her investment commitment after a material change is made to the offering, the investor’s investment commitment will be cancelled and the committed funds will be returned.

# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

## OWNERSHIP AND CAPITAL STRUCTURE

### The Offering

13. Describe the terms of the securities being offered.

### DESCRIPTION OF THE OFFERING

<b>Securities Offered</b>	We are offering minimum \$10,000 and maximum \$1,070,000 of the Company's Convertible Notes.
<b>Pricing</b>	The purchase price for each Note is One Hundred U.S Dollars (\$100), with a minimum investment amount of Five Hundred U.S. Dollars (\$500).
<b>Note Composition</b>	Each subscription consists of a 15% Convertible Note (each, a "Note" and, collectively, the "Notes") that matures eighteen months from the date of issuance, and at Company's option, is convertible at a 10% discount into the public market (the "Convertible Note").
<b>Annual Return</b>	10% Interest
<b>Conversion of Note</b>	If offered by Company, Option to convert Note at maturity into public market at a discount of 10%.
<b>Use of Proceeds See "Use of Proceeds"</b>	For full acquisition of specialized industrial real estate, conversion of acquired real estate to hemp facilities, and/or improvement of existing cultivation facilities, as well as for general corporate purposes and working capital (see "Use of Proceeds" section for further details).

14. Do the securities offered have voting rights? ☐ Yes ☒ No
15. Are there any limitations on any voting or other rights identified above? ☐ Yes ☒ No
16. How may the terms of the securities being offered be modified?

### Restrictions on Transfer of the Securities Being Offered

The securities being offered may not be transferred by any purchaser of such securities during the one-year period beginning when the securities were issued, unless such securities are transferred:

- (1) to the issuer;
- (2) to an accredited investor;
- (3) as part of an offering registered with the U.S. Securities and Exchange Commission; or

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- (4) to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

**NOTE: The term “accredited investor” means any person who comes within any of the categories set forth in Rule 501(a) of Regulation D, or who the seller reasonably believes comes within any of such categories, at the time of the sale of the securities to that person.**

**The term “member of the family of the purchaser or the equivalent” includes a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the purchaser, and includes adoptive relationships. The term “spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.**

## Description of Issuer’s Securities

17. What other securities or classes of securities of the issuer are outstanding? Describe the material terms of any other outstanding securities or classes of securities of the issuer.

Class of Security	Securities (or Amount) Authorized	Securities (or Amount) Outstanding	Voting Rights	Other Rights
<b>Units of Membership Interest:</b>				Specify:
	1,000,000	500,000	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				Specify:

18. How may the rights of the securities being offered be materially limited, diluted or qualified by the rights of any other class of security identified above?

The Company has the option to convert the securities sold in this offering into equity at note’s maturity.

19. Are there any differences not reflected above between the securities being offered and each other class of security of the issuer? ☐ Yes ☒ No

20. How could the exercise of rights held by the principal shareholders identified in Question 6 above affect the purchasers of the securities being offered?

The Company has the option to convert the securities sold in this offering into equity at note’s maturity.

21. How are the securities being offered being valued? Include examples of methods for how such securities may be valued by the issuer in the future, including during subsequent corporate actions.

The company elected to offer an above average return based on the industry and the underline value of the real estate.

# OFFERING STATEMENT

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22. What are the risks to purchasers of the securities relating to minority ownership in the issuer?

**The right to demand current distributions from an operating business is limited.** A majority owner, if she is committed to avoiding any distributions to a minority owner, can usually avoid making any distributions of profits. By establishing generous reserves for future expenses, paying a salary to herself or her relatives at the high range of what is reasonable, pre-paying expenses, investing in new business or new equipment, leasing expensive cars, etc., a majority owner can spend enough that there are rarely any profits to be distributed. So long as the expenses are not grossly unreasonable, the investor, probably, won't be able to force the company to allow you to share in any of the current income of the company.

**No right to participate in any management decisions of the company.** The majority owner may make a decision that the investor think is bad and puts your interest in the company at risk. The investor may see the majority owner running the company into the ground. The investor can try to convince him that it is the wrong decision, but he doesn't have to take your calls.

**The investor has limited rights, if any, to have your interest bought out.** You may want to cash out your interest and do other things with the money. State law may give you the right to force the company to buy you out, but these rights are limited.

While the investor would be entitled to a share of any profits on sale of the entire business, a sale can be structured in a way to avoid any payout to minority owners, such as a sale of assets over time with the proceeds reinvested in another business.

23. What are the risks to purchasers associated with corporate actions including:

- **Additional issuances of securities:**

Following the investor's investment in the Company, the Company may sell interest to additional investors, which will dilute the percentage interest of the investor in the Company. The Investor might have the opportunity to increase its investment in the Company in such transaction, but such opportunity cannot be assured. The amount of additional capital needed by the Company, if any, will depend upon the maturity and the objectives of the Company.

- **Issuer repurchases of securities:**

The company may have the authority to repurchase its securities from shareholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the investor to sell its securities to the Company concurrently.

- **A sale of the issuer or of assets of the issuer:**

As a minority owner of the Company, the Investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the investor will rely upon the executive management of the Company and the Board of Directors of the Company to manage the Company so as to maximize value for shareholders.

- **Transactions with related parties:**

The Investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management and the Board of Directors of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its shareholders. By acquiring and interest in the company, the investor will be deemed to have acknowledged the existence of any such actual or potential



## OFFERING STATEMENT

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conflicts of interest and to have waives any claim with respect to any liability arising from the existence of any such conflict of interest.

24. Describe the material terms of any indebtedness of the issuer:

None.

25. What other exempt offerings has the issuer conducted within the past three years?

None.

26. Was or is the issuer or any entities controlled by or under common control with the issuer a party to any transaction since the beginning of the issuer's last fiscal year, or any currently proposed transaction, where the amount involved exceeds five percent of the aggregate amount of capital raised by the issuer in reliance on Section 4(a)(6) of the Securities Act during the preceding 12-month period, including the amount the issuer seeks to raise in the current offering, in which any of the following persons had or is to have a direct or indirect material interest:

- (1) any director or officer of the issuer;
- (2) any person who is, as of the most recent practicable date, the beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power;
- (3) if the issuer was incorporated or organized within the past three years, any promoter of the issuer; or
- (4) any immediate family member of any of the foregoing persons.

If yes, for each such transaction, disclose the following:

None.

### FINANCIAL CONDITION OF THE ISSUER

27. Does the issuer have an operating history? ☐ Yes ☒ No
28. Describe the financial condition of the issuer, including, to the extent material, liquidity, capital resources and historical results of operations.

The company was formed on 4/18/2018, and it has about \$340 cash received as member's contribution.

### FINANCIAL INFORMATION

29. Include the financial information specified below covering the two most recently completed fiscal years or the period(s) since inception, if shorter;



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
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<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

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

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

## Contents

Independent Accountant's Review Report .....	2
Balance Sheet.....	4
Statements of Operations .....	5
Statements of Changes in Members' Equity .....	6
Statements of Cash Flows .....	7
Notes to Financial Statements.....	8



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
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# OFFERING STATEMENT

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Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

Fiona Hamza, CPA  
Email: fhamzacpa@outlook.com  
Ph: 502 396 1855

## Accounting Services

### 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.

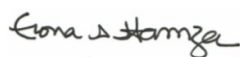
#### Accountant's Responsibility

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



## OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

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# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
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<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

## 420 Real Estate LLC

### Balance Sheet

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

*See Independent Accountant's Review Report.*



## OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
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<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

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

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

*See Independent Accountant's Review Report.*





## OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
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<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

420 Real Estate LLC

### Statements of Changes in Members' Equity

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

*See Independent Accountant's Review Report.*

# OFFERING STATEMENT

<b>100 units of Convertible Notes, at \$100 per Unit</b>			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

420 Real Estate LLC

## Statements of Cash Flows

	<u><b>April 30, 2019</b></u>
<b>Operating activities</b>	
Net income	\$ (300)
Increase in trade receivables	-
Decrease in trades payables	-
Net cash used by operating activities	<u>(300)</u>
<b>Investing activities</b>	
Property Plant and equipment	-
Net cash used in investing activities	<u>-</u>
<b>Financing activities</b>	
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.*



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
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Target Offering	100	\$10,000	\$9,450
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## **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.*



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

## **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.*

## OFFERING STATEMENT

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	# Of Units	Total Proceeds	Net Proceeds
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30. With respect to the issuer, any predecessor of the issuer, any affiliated issuer, any director, officer, general partner or managing member of the issuer, any beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated in the same form as described in Question 6 of this Question and Answer format, any promoter connected with the issuer in any capacity at the time of such sale, any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with such sale of securities, or any general partner, director, officer or managing member of any such solicitor, prior to May 16, 2016:
- (1) Has any such person been convicted, within 10 years (or five years, in the case of issuers, their predecessors and affiliated issuers) before the filing of this offering statement, of any felony or misdemeanor:
- (i) in connection with the purchase or sale of any security? ☐ Yes ☒ No
  - (ii) involving the making of any false filing with the Commission? ☐ Yes ☒ No
  - (iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser, funding portal or paid solicitor of purchasers of securities? ☐ Yes ☒ No
- (2) Is any such person subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before the filing of the information required by Section 4A(b) of the Securities Act that, at the time of filing of this offering statement, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:
- (i) in connection with the purchase or sale of any security? ☐ Yes ☒ No
  - (ii) involving the making of any false filing with the Commission? ☐ Yes ☒ No
  - (iv) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser, funding portal or paid solicitor of purchasers of securities? ☐ Yes ☒ No
- (3) Is any such person subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:
- (i) at the time of the filing of this offering statement bars the person from:
    - (A) association with an entity regulated by such commission, authority, agency or officer?  
☐ Yes ☒ No
    - (B) engaging in the business of securities, insurance or banking?  
☐ Yes ☒ No
    - (C) engaging in savings association or credit union activities?  
☐ Yes ☒ No
  - (ii) constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative or deceptive conduct and for which the order was entered within the 10-year period ending on the date of the filing of this offering statement? ☐ Yes ☒ No

If Yes to any of the above, explain:

# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
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- (4) Is any such person subject to an order of the Commission entered pursuant to Section 15(b) or 15B(c) of the Exchange Act or Section 203(e) or (f) of the Investment Advisers Act of 1940 that, at the time of the filing of this offering statement:
- (i) suspends or revokes such person's registration as a broker, dealer, municipal securities dealer, investment adviser or funding portal? ☐ Yes ☒ No
  - (ii) places limitations on the activities, functions or operations of such person? ☐ Yes ☒ No
  - (iii) bars such person from being associated with any entity or from participating in the offering of any penny stock? ☐ Yes ☒ No
- (5) Is any such person subject to any order of the Commission entered within five years before the filing of this offering statement that, at the time of the filing of this offering statement, orders the person to cease and desist from committing or causing a violation or future violation of:
- (i) any scienter-based anti-fraud provision of the federal securities laws, including without limitation Section 17(a)(1) of the Securities Act, Section 10(b) of the Exchange Act, Section 15(c)(1) of the Exchange Act and Section 206(1) of the Investment Advisers Act of 1940 or any other rule or regulation thereunder? ☐ Yes ☒ No
  - (ii) Section 5 of the Securities Act? ☐ Yes ☒ No
- (6) Is any such person suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade?
- ☐ Yes ☒ No
- (7) Has any such person filed (as a registrant or issuer), or was any such person or was any such person named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before the filing of this offering statement, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is any such person, at the time of such filing, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued?
- ☐ Yes ☒ No
- (8) Is any such person subject to a United States Postal Service false representation order entered within five years before the filing of the information required by Section 4A(b) of the Securities Act, or is any such person, at the time of filing of this offering statement, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations?
- ☐ Yes ☒ No

**If you would have answered "Yes" to any of these questions had the conviction, order, judgment, decree, suspension, expulsion or bar occurred or been issued after May 16, 2016, then you are NOT eligible to rely on this exemption under Section 4(a)(6) of the Securities Act.**

## OFFERING STATEMENT

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### OTHER MATERIAL INFORMATION

31. In addition to the information expressly required to be included in this Form, include:

- (1) any other material information presented to investors; and
- (2) such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

None.

### ONGOING REPORTING

The issuer will file a report electronically with the Securities & Exchange Commission annually and post the report on its website, no later than: April 30 of the following year.

(120 days after the end of each fiscal year covered by the report).

Once posted, the annual report may be found on the issuer's website at: [invest420land.com](http://invest420land.com)

The issuer must continue to comply with the ongoing reporting requirements until:

- (1) the issuer is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- (2) the issuer has filed at least one annual report pursuant to Regulation Crowdfunding and has fewer than 300 holders of record and has total assets that do not exceed \$10,000,000;
- (3) the issuer has filed at least three annual reports pursuant to Regulation Crowdfunding;
- (4) the issuer or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or
- (5) the issuer liquidates or dissolves its business in accordance with state law.

\* \* \* \* \*

### PART 240 - GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

9. The authority citation for part 240 continues to read, in part, as follows: Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c-3, 78c-5, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78n-1, 78o, 78o-4, 78o-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78l, 78mm, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, 80b-11, 7201 et. seq., and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; and Pub. L. 111-203, 939A, 124 Stat. 1376, (2010), unless otherwise noted.

10. Add § 240.12g-6 to read as follows:

§ 240.12g-6 Exemption for securities issued pursuant to section 4(a)(6) of the Securities Act of 1933.



## OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

(a) For purposes of determining whether an issuer is required to register a security with the Commission pursuant to Section 12(g)(1) of the Act (15 U.S.C. 78l(g)(1)), the definition of held of record shall not include securities issued pursuant to the offering exemption under section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) by an issuer that:

(1) Is current in filing its ongoing annual reports required pursuant to § 227.202 of this

chapter;

(2) Has total assets not in excess of \$25 million as of the end of its most recently completed fiscal year;

and

(3) Has engaged a transfer agent registered pursuant to Section 17A(c) of the Act to perform the function of a transfer agent with respect to such securities.

(b) An issuer that would be required to register a class of securities under Section 12(g) of the Act as a result of exceeding the asset threshold in paragraph (2) may continue to exclude the relevant securities from the definition of “held of record” for a transition period ending on the penultimate day of the fiscal year two years after the date it became ineligible. The transition period terminates immediately upon the failure of an issuer to timely file any periodic report due pursuant to § 227.202 at which time the issuer must file a registration statement that registers that class of securities under the Act within 120 days

# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

## EXHIBIT A FORM OF CONVERTIBLE NOTE

**THIS NOTE (the “SECURITIES”) HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE, AND IS BEING OFFERED AND SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THIS SECURITY MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR SUCH OTHER LAWS.**

**Company: 420 Real Estate, LLC**

**Maturity Date: June 30, 2020.**

**Principal Amount: \$ \_\_\_\_\_**

**Interest Rate: 15% per annum**

**Conversion Option: 10% Share Purchase Discount to Public Market at Company’s Election.**

420 Real Estate, LLC, a Texas limited liability company, (the “Company”) and any successor or resulting corporation by way of merger, consolidation, sale or exchange of all or substantially all of the assets or otherwise (the “**Company**”), for value received, hereby promises to pay to the Holder (as such term is hereinafter defined), or such other Person (as such term is hereinafter defined) upon order of the Holder, on the Maturity Date, the Principal Amount (as such term is hereinafter defined), as such sum may be adjusted pursuant to Article 3, and to pay interest thereon from the Closing Date, at the rate of 15% per annum (the “**Note Interest Rate**”), payable at maturity. All interest payable on the Principal Amount of this Note shall be calculated on the basis of a 360-day year for the actual number of days elapsed. Payment of principal or interest of this Note shall be in cash or, at the option of the Company and if Holder elects, in Securities of Common Stock of the Company as more fully set forth herein.

## DEFINITIONS

**Definitions.** The terms defined in this Article whenever used in this Note have the following respective meanings:

“**Affiliate**” has the meaning ascribed to such term in Rule 12b-2 under the Securities Exchange Act of 1934, as amended.

“**Bankruptcy Code**” means the United States Bankruptcy Code of 1986, as amended (11 U.S.C. §§ 101 et. Seq.).

“**Business Day**” means a day other than Saturday, Sunday or any day on which banks located in the State of Florida are authorized or obligated to close.

“**Capital Securities**” means the Common Stock and any other Securities of any other class or series of capital stock, whether now or hereafter authorized and however designated, which have the right to participate in the distribution of earnings and assets (upon dissolution, liquidation or winding-up) of the Company.

“**Common Securities**” or “**Common Stock**” means Securities of the Company’s Common Stock.

“**Common Stock Issued at Conversion**”, when used with reference to the securities deliverable upon conversion of this Note, means all Common Securities now or hereafter outstanding and securities of any other class or series into which this Note hereafter shall have been changed or substituted, whether now or hereafter created and however designated.

“**Conversion**” or “**conversion**” means the repayment by the Company of the Principal Amount and interest of this Note by the delivery of Common Stock on the terms provided in Section 3.2, and “**convert**,” “**converted**,” “**convertible**” and like words shall have a corresponding meaning.

“**Conversion Date**” means any day on which all or any portion of the Principal Amount or interest of this Note is converted in accordance with the provisions hereof.

# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

**“Conversion Notice”** means a written notice of conversion substantially in the form annexed hereto as Exhibit B1.

**“Conversion Ratio”** on any date of determination means the applicable ratio for the conversion of this Note into Common Securities on such day as set forth in Section 3.1.

**“Note”** or **“Notes”** means this Convertible Note of the Company or such other convertible Note(s) exchanged therefor as provided in Section 2.1.

**“Event of Default”** has the meaning set forth in Section 6.1.

**“Holder”** means the person or entity to which this Note is issued, any successor thereto, or any Person to whom this Note is subsequently transferred in accordance with the provisions hereof.

**“Maximum Rate”** has the meaning set forth in Section 6.3.

**“Outstanding”** when used with reference to Common Securities or Capital Securities (collectively, **“Securities”**) means, on any date of determination, all issued and outstanding Securities, and includes all such Securities issuable in respect of outstanding scrip or any certificates representing fractional interests in such Securities; provided, however, that any such Securities directly or indirectly owned or held by or for the account of the Company or any Subsidiary of the Company shall not be deemed **“Outstanding”** for purposes hereof.

**“Person”** means an individual, a corporation, a partnership, an association, a limited liability company, an unincorporated business organization, a trust or other entity or organization, and any government or political subdivision or any agency or instrumentality thereof.

**“Principal Amount”** means, for any date of calculation, the principal sum set forth in the first paragraph of this Note.

**“SEC”** means the United States Securities and Exchange Commission.

**“Securities Act”** means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as in effect at the time.

**“Subsidiary”** means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are owned directly or indirectly by the Company.

All references to “cash” or “\$” herein means currency of the United States of America.

## ARTICLE 2

### EXCHANGES, TRANSFER AND REPAYMENT

**SECTION 2.1** Registration of Transfer of Notes. This Note, when presented for registration of transfer, shall (if so required by the Company) be duly endorsed, or be accompanied by a written instrument of transfer in form reasonably satisfactory to the Company duly executed, by the Holder duly authorized in writing.

**SECTION 2.2** Loss, Theft, Destruction of Note. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Note, the Company shall make, issue and deliver, in lieu of such lost, stolen, destroyed or mutilated Note, a new Note of like tenor and unpaid Principal Amount dated as of the date hereof. This Note shall be held and owned upon the express condition that the provisions of this Section 2.2 are exclusive with respect to the replacement of a mutilated, destroyed, lost or stolen Note and shall preclude any and all other rights and remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement of negotiable instruments or other securities without the surrender thereof.

**SECTION 2.3** Who Deemed Absolute Owner. The Company may deem the Person in whose name this Note shall be registered upon the registry books of the Company to be, and may treat it as, the absolute owner of this Note (whether or not this Note shall be overdue) for the purpose of receiving payment of or on account of the Principal Amount of this Note, for the conversion of this Note and for all other purposes, and the Company shall not be affected by any notice to the

# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

contrary. All such payments and such conversions shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid or the conversion or conversions so made.

**SECTION 2.4 Repayment of Interest.** Interest shall accrue at the rate of fifteen percent (15%) per annum payable in arrears at maturity.

**SECTION 2.5 Repayment at Maturity.** At the Maturity Date, the Company shall repay the outstanding Principal Amount plus accrued interest or, at the option of the Holder, shall convert all or any portion of the outstanding Principal Amount of this Note and accrued and unpaid interest thereon, into Securities of the Company's common stock, as provided for herein.

## ARTICLE 3 CONVERSION OF NOTE

**SECTION 3.1 Conversion; Conversion Ratio; Valuation Event.** At the option of the Company and Holder's election if offered at maturity, this Note may be converted, either in whole or in part, up to the full Principal Amount plus accrued interest hereof into Common Securities (calculated as to each such conversion to the nearest whole share, at any time and from time to time on any Business Day, subject to compliance with Section 3.2.) The number of Common Securities into which this Note may be converted is equal to the number of Securities that may be purchased at a 10% Share purchase discount. In the event of any recapitalization or reorganization, the Conversion Ratio shall be adjusted accordingly.

**SECTION 3.2 Exercise of Conversion Privilege.** (a) Conversion of this Note may be exercised, if offered by Company, at Maturity Date by the Holder by telecopying an executed and completed Conversion Notice to the Company (the "Conversion Date"). The Company shall convert this Note and issue the Common Stock Issued at Conversion in the manner provided below in this Section 3.2, and all voting and other rights associated with the beneficial ownership of the Common Stock Issued at Conversion shall vest with the Holder, effective as of the Conversion Date at the time specified in the Conversion Notice. The Conversion Notice also shall state the name or names (with addresses) of the persons who are to become the holders of the Common Stock Issued at Conversion in connection with such conversion. As promptly as practicable after the receipt of the Conversion Notice as aforesaid, but in any event not more than five(5) Business Days after Holder's delivery of such Conversion Notice, the Company shall (i) issue the Common Stock Issued at Conversion in accordance with the provisions of this Article 3 and (ii) cause to be mailed for delivery by overnight courier a certificate or certificate(s) representing the number of Common Securities to which the Holder is entitled by virtue of such conversion, and cash, as provided in Section 3.3, as applicable, representing the amount of accrued and unpaid interest on this Note as of the Conversion Date. Such conversion shall be deemed to have been effected at the time at which the Conversion Notice indicates, and at such time the rights of the Holder of this Note, as such (except if and to the extent that any Principal Amount thereof remains unconverted), shall cease and the Person and Persons in whose name or names the Common Stock Issued at Conversion shall be issuable shall be deemed to have become the holder or holders of record of the Common Securities represented thereby, and all voting and other rights associated with the beneficial ownership of such Common Securities shall at such time vest with such Person or Persons. The Conversion Notice shall constitute a contract between the Holder and the Company, whereby the Holder shall be deemed to subscribe for the number of Common Securities which it will be entitled to receive upon such conversion and, in payment and satisfaction of such subscription to surrender this Note and to release the Company from all liability thereon (except if and to the extent that any Principal Amount thereof remains unconverted).

**SECTION 3.3 Fractional Securities.** No fractional Common Securities or scrip representing fractional Common Securities shall be delivered upon conversion of this Note. Instead of any fractional Common Securities which otherwise would be delivered upon conversion of this Note, the Company shall round up to the next whole share. No cash payment of less than \$1.00 shall be required to be given unless specifically requested by the Holder.

# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

SECTION 3.4 Adjustments. The Conversion Ratio and the number of Securities deliverable upon conversion of this Note are subject to adjustment from time to time as follows:

Reclassification, Etc. In case the Company shall reorganize its capital, reclassify its capital stock, consolidate or merge with or into another entity (where the Company is not the survivor or where there is a change in or distribution with respect to the Common Stock of the Company), sell, convey, transfer or otherwise dispose of all or substantially all its property, assets or business to another Person, or effectuate a transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Company is disposed of (each, a “**Fundamental Corporate Change**”) and, pursuant to the terms of such Fundamental Corporate Change, Securities of common stock of the successor or acquiring corporation, or any cash, Securities of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring corporation (“**Other Property**”) are to be received by or distributed to the holders of Common Stock of the Company, then the Holder of this Note shall have the right thereafter, at its sole option, to (a) receive the number of Securities of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and Other Property as is receivable upon or as a result of such Fundamental Corporate Change by a holder of the number of Securities of Common Stock into which the outstanding portion of this Note may be converted at the Conversion Ratio applicable immediately prior to such Fundamental Corporate Change or (c) require the Company, or such successor, resulting or purchasing corporation, as the case may be, to, without benefit of any additional consideration therefor, execute and deliver to the Holder a Note with substantial identical rights, privileges, powers, restrictions and other terms as this Note in an amount equal to the amount outstanding under this Note immediately prior to such Fundamental Corporate Change. For purposes hereof, “**common stock of the successor or acquiring corporation**” shall include stock of such corporation of any class which is not preferred as to dividends or assets over any other class of stock of such corporation and which is not subject to prepayment and shall also include any evidences of indebtedness, Securities of stock or other securities which are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions shall similarly apply to successive Fundamental Corporate Changes.

SECTION 3.5 Surrender of Notes. Upon any redemption of this Note or upon maturity, the Holder shall either deliver this Note by hand to the Company at its principal executive offices or surrender the same to the Company at such address by nationally recognized overnight courier. Payment of the redemption price or the amount due on maturity shall be made by the Company to the Holder against receipt of this Note (unless converted and paid in common stock) by wire transfer of immediately available funds to such account(s) as the Holder shall specify by written notice to the Company (if the Company has not elected to pay this Note with Securities of its Common Stock).

## ARTICLE 4

### STATUS: RESTRICTIONS ON TRANSFER

SECTION 4.1 Status of Note. This Note constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms subject, as to enforceability, to general principles of equity and to principles of bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors’ rights and remedies generally.

SECTION 4.2 Restrictions on Transfer. This Note, and any Common Securities deliverable upon the conversion hereof, have not been registered under the Securities Act. The Holder by accepting this Note agrees that this Note and the Securities of Common Stock to be acquired as interest on and upon conversion of this Note may not be assigned or otherwise transferred unless and until (i) the Company has received the opinion of counsel for the Holder that this Note or such Securities may be sold pursuant to an exemption from registration under the Securities Act or (ii) a registration statement relating to this Note or such Securities has been filed by the Company and declared effective by the SEC.

Each certificate for Securities of Common Stock deliverable by hereunder shall bear a legend as follows unless and until such securities have been sold pursuant to an effective registration statement under the Securities Act:

# OFFERING STATEMENT

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Maximum Amount	10,700	\$1,070,000	\$1,011,150

“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered for sale, sold or otherwise transferred except (i) pursuant to an effective registration statement under the Securities Act or (ii) pursuant to an exemption from registration under the Securities Act in respect of which the issuer of this certificate has received an opinion of counsel satisfactory to the issuer of this certificate to such effect. Copies of the agreement covering both the purchase of the securities and restrictions on their transfer may be obtained at no cost by written request made by the holder of record of this certificate to the Secretary of the issuer of this certificate at the principal executive offices of the issuer of this certificate.”

## ARTICLE V. COVENANTS

**SECTION 5.1 Compliance with Laws.** So long as this Note shall be outstanding, the Company shall comply with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities, except for such noncompliance which would not have a material adverse effect on the business, properties, prospects, condition (financial or otherwise) or results of operations of the Company and the Subsidiaries.

**SECTION 5.2 Inspection of Property, Books and Records.** So long as this Note shall be outstanding, the Company shall keep proper books of record and account in which full, true and correct entries shall be made of all material dealings and transactions in relation to its business and activities and shall permit representatives of the Holder at the Holder’s expense to visit and inspect any of its respective properties, to examine and make abstracts from any of its respective books and records, not reasonably deemed confidential by the Company, and to discuss its respective affairs, finances and accounts with its respective officers and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

## ARTICLE VI. EVENTS OF DEFAULT; REMEDIES

**SECTION 6.1 Events of Default.** “**Event of Default**” wherever used herein means any one of the following events:

A. The Company shall default in the payment of principal or interest on this Note as and when the same shall be due and payable and, such default shall continue for ten (10) Business Days after the date such payment was due, or the Company shall fail to perform or observe any other covenant, agreement, term, provision, undertaking or commitment under this Note, and such default shall continue for a period of ten (10) Business Days after the delivery to the Company of written notice that the Company is in default hereunder or thereunder;

B. Any of the representations or warranties made by the Company herein, shall be false or misleading in a material respect on the Closing Date;

C (i)The Company or any Subsidiary admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (ii.) institutes or has instituted against it any proceeding seeking to adjudicate it a bankrupt or insolvent, (iii.) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors or (iv) the entry of an order for relief or the appointment of a receiver, trustee or other similar person for it or for any substantial part of its properties and assets, and in the case of any such official proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of sixty (60) calendar days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs or (v) takes any corporate action to authorize any of the above actions;

D. The entry of a decree or order by a court having jurisdiction in the premises adjudging the Company or any Subsidiary a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Bankruptcy Code or any other applicable Federal or



# OFFERING STATEMENT

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	# Of Units	Total Proceeds	Net Proceeds
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state law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and any such decree or order continues and is unstayed and in effect for a period of sixty (60) calendar days;

E. The institution by the Company or any Subsidiary of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as and when they become due, or the taking of corporate action by the Company in furtherance of any such action;

F. A final judgment or final judgments for the payment of money shall have been entered by any court or courts of competent jurisdiction against the Company and remains undischarged for a period (during which execution shall be effectively stayed) of thirty (30) days, provided that the aggregate amount of all such judgments at any time outstanding (to the extent not paid or to be paid, as evidenced by a written communication to that effect from the applicable insurer, by insurance) exceeds One Hundred Thousand Dollars (\$100,000); or

G. It becomes unlawful for the Company to perform or comply with its obligations under this Note in any respect;

**SECTION 6.2 Acceleration of Maturity; Rescission and Annulment.** If an Event of Default occurs and is continuing, then and in every such case the Holder may, by a notice in writing to the Company, rescind any outstanding Conversion Notice and declare that all amounts owing or otherwise outstanding under this Note are immediately due and payable and upon any such declaration this Note shall become immediately due and payable in cash or common stock together with all accrued and unpaid interest thereon at the option of the Holder.

**SECTION 6.3 Maximum Interest Rate.** In the event of a Default, the Default Interest Rate shall be 15% per annum. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate as provided for herein shall exceed the maximum lawful rate which may be contracted for, charged, taken or received by the Holder in accordance with any applicable law (the “**Maximum Rate**”), the rate of interest applicable to this Note shall be limited to the Maximum Rate. To the greatest extent permitted under applicable law, the Company hereby waives and agrees not to allege or claim that any provisions of this Note could give rise to or result in any actual or potential violation of any applicable usury laws.

**SECTION 6.4 Remedies Not Waived.** No course of dealing between the Company and the Holder or any delay in exercising any rights hereunder shall operate as a waiver by the Holder.

**SECTION 6.5 Remedies.** The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Note, that the Holder shall be entitled to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

## ARTICLE VII. MISCELLANEOUS

**SECTION 7.1 Notice of Certain Events.** In the case of the occurrence of any event described in Section 3.4 of this Note, the Company shall cause to be mailed to the Holder of this Note at its last address as it appears in the Company’s security registry, at least twenty (20) days prior to the applicable record, effective or expiration date hereinafter specified (or, if such twenty (20) days’ notice is not possible, at the earliest possible date prior to any such record, effective or expiration



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

date), a notice thereof, including, if applicable, a statement of (1) the date on which a record is to be taken for the purpose of such dividend, distribution, issuance or granting of rights, options or warrants, or if a record is not to be taken, the date as of which the holders of record of Common Stock to be entitled to such dividend, distribution, issuance or granting of rights, options or warrants are to be determined or (2) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up is expected to become effective, and the date as of which it is expected that holders of record of Common Stock will be entitled to exchange their Securities for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale transfer, dissolution, liquidation or winding-up.

**SECTION 7.2 Withholding.** To the extent required by applicable law, the Company may withhold amounts for or on account of any taxes imposed or levied by or on behalf of any taxing authority in the United States having jurisdiction over the Company from any payments made pursuant to this Note.

**SECTION 7.3 Transmittal of Notices.** Except as may be otherwise provided herein, any notice or other communication or delivery required or permitted hereunder shall be in writing and shall be delivered personally, or sent by telecopier machine or by a nationally recognized overnight courier service, and shall be deemed given when so delivered personally, or by telecopier machine or overnight courier to the Company at its principal place of business or to the Holder as indicated on the Subscription Agreement.

Each Holder or the Company may change the foregoing address by notice given pursuant to this Section 7.3.

**SECTION 7.4 Governing Law.** This Note shall be governed by, and construed in accordance with, the laws of the State of Texas (without giving effect to conflicts of laws principles). With respect to any suit, action or proceedings relating to this Note, the Company irrevocably submits to the exclusive jurisdiction of the courts of the State of Texas sitting in Santa Barbara County and the United States District Court located in the Santa Barbara, California, Florida and hereby waives, to the fullest extent permitted by applicable law, any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Subject to applicable law, the Company agrees that final judgment against it in any legal action or proceeding arising out of or relating to this Note shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which judgment shall be conclusive evidence thereof and the amount of its indebtedness, or by such other means provided by law.

**SECTION 7.5 Waiver of Jury Trial.** To the fullest extent permitted by law, each of the parties hereto hereby knowingly, voluntarily and intentionally waives its respective rights to a jury trial of any claim or cause of action based upon or arising out of this Note or any other document or any dealings between them relating to the subject matter of this Note and other documents. Each party hereto (i) certifies that neither of their respective representatives, agents or attorneys has represented, expressly or otherwise, that such party would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that it has been induced to enter into this Note by, among other things, the mutual waivers and certifications herein.

**SECTION 7.6 Headings.** The headings of the Articles and Sections of this Note are inserted for convenience only and do not constitute a part of this Note.

**SECTION 7.7 Payment Dates.** Whenever any payment hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

**SECTION 7.8 Binding Effect.** Each Holder by accepting this Note agrees to be bound by and comply with the terms and provisions of this Note.

**SECTION 7.9 No Stockholder Rights.** Except as otherwise provided herein, this Note shall not entitle the Holder to any of the rights of a stockholder of the Company, including, without limitation, the right to vote, to receive dividends and

## OFFERING STATEMENT

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	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

other distributions, or to receive any notice of, or to attend, meetings of stockholders or any other proceedings of the Company, unless and to the extent converted into Securities of Common Stock in accordance with the terms hereof.

IN WITNESS WHEREOF, the Company has caused this Note to be signed by its duly authorized officer on the date of this Note.

420 Real Estate, LLC

By: \_\_\_\_\_  
Willard L. Jackson Jr.  
Title: Managing Director

### COUNTERPART SIGNATURE PAGE TO FORM OF PROMISSORY NOTE

The undersigned desires to loan the Company the Principal Amount shown and indicated on the Subscription Page. The Subscription Page is attached hereto but *not* incorporated herein. The undersigned agrees to abide by all the terms and conditions of the Note as reflected in the Form of Note purchased by the undersigned hereby.

IN WITNESS WHEREOF, the undersigned has executed this counterpart signature page to the Form of the Note as of the last date written below.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Second signatory if applicable*

Date: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
<i>Target Offering</i>	<b>100</b>	<b>\$10,000</b>	<b>\$9,450</b>
<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

### **EXHIBIT A1** **NOTE CONVERSION NOTICE** **FOR COMMON STOCK**

TO: 420 Real Estate, LLC (the “Company”)

The undersigned hereby irrevocably exercises its option offered by Company to convert \$ \_\_\_\_\_ Principal Amount and \$ \_\_\_\_\_ Interest of the Note into \_\_\_\_\_ Securities of Common Stock in accordance with the terms of the Note at the Conversion Ratio then in effect.

The number of Securities of common stock to be received on conversion is calculated as follows:

The Common Stock and certificates therefor deliverable upon conversion, the Note reissued in the Principal Amount not being surrendered for conversion hereby, [the check or Securities of Common Stock in payment of the accrued and unpaid interest thereon to the date of this Notice,] shall be registered in the name of and/or delivered to the name set forth below unless a different name has been provided to the Company. All capitalized terms used and not defined herein have the respective meanings assigned to them in the Note. The conversion pursuant hereto shall be deemed to have been effected at the date and time specified below, and at such time the rights of the Holder of the Principal Amount of the Note set forth above shall cease and the Person or Persons in whose name or names the Common Stock Issued at Conversion shall be registered shall be deemed to have become the holder or holders of record of the Common Securities represented thereby and all voting and other rights associated with the beneficial ownership of such Common Securities shall at such time vest with such Person or Persons.

Date and time: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Fill \_\_\_\_\_ in \_\_\_\_\_ for \_\_\_\_\_ registration \_\_\_\_\_ of \_\_\_\_\_ Note:  
Please print name and address:

\_\_\_\_\_  
(including ZIP code number):



# OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
Target Offering	100	\$10,000	\$9,450
Maximum Amount	10,700	\$1,070,000	\$1,011,150

## EXHIBIT C SUBSCRIPTION AGREEMENT

The undersigned (hereinafter “**Subscriber**”) hereby confirms his/her/its subscription for the purchase of a 420 Real Estate LLC (the “Company”, “we” “our”) Convertible Note (the “**Note**” or the “Securities”) in an amount as more fully set forth on the Signature Page.

In connection with this subscription, Subscriber and the Company agree as follows:

1. Purchase and Sale of the Note.

(a) The Company hereby agrees to issue and to sell to Subscriber, and Subscriber hereby agrees to purchase from the Company, a Note for the aggregate subscription amount set forth on the signature page hereto. The Subscriber understands that this subscription is not binding upon the Company until it is accepted by the Company. The Subscriber acknowledges and understands that acceptance of this Subscription will be made only by a duly authorized representative of the Company executing and mailing or otherwise delivering to the Subscriber at the Subscriber’s address set forth herein, a counterpart copy of the signature page to this Subscription Agreement indicating the Company’s acceptance of this Subscription. The Company reserves the right, in its sole discretion for any reason whatsoever, to accept or reject this subscription in whole or in part. Following the acceptance of this Subscription Agreement by the Company, the Company shall issue and deliver to Subscriber the Note subscribed for hereunder against payment in U.S. Dollars of the Purchase Price (as defined below). If this subscription is rejected, the Company and the Subscriber shall thereafter have no further rights or obligations to each other under or in connection with this Subscription Agreement. If this subscription is not accepted by the Company, this subscription shall be deemed rejected.

(b) Subscriber has hereby delivered and paid concurrently herewith the aggregate purchase price for the Note set forth on the signature page hereof in an amount required to purchase and pay for the Note subscribed for hereunder (the “**Purchase Price**”), which amount has been paid in U.S. Dollars by wire transfer or check, subject to collection, to the order of Prime Trust, LLC as the Escrow Agent for 420 Real Estate, LLC.

2. Representations and Warranties of Subscriber. Subscriber represents and warrants to the Company as follows:

(a) Subscriber acknowledges that the proceeds from the sale of the Note will be used to enter into the hemp industry and that hemp remains a controlled substance under federal law and that the cultivation, possession or distribution of hemp is a felony.

(b) Subscriber acknowledges that the Company has never generated revenues and that there is a substantial risk that the Company will default on its obligations under the Convertible Note (the “**Note**”).

(c) Subscriber acknowledge that neither the Note nor the Securities of common stock that may be received on conversion of the Note will be registered under the Act on the ground that the issuance thereof is exempt under either Regulation D and/or Section 4(2) of the Act as a transaction by an issuer not involving any public offering.

## OFFERING STATEMENT

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	<i># Of Units</i>	<i>Total Proceeds</i>	<i>Net Proceeds</i>
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<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

(d) Subscriber is purchasing the Note subscribed for hereby for investment purposes and not with a view to distribution or resale.

(e) Subscriber acknowledges that there is no market for the Company's Note or the Securities of common stock that may be issued on conversion. As a result, the Securities must be held indefinitely.

(e) Subscriber acknowledges that Subscriber has had the opportunity to ask questions of, and receive answers from the Company or any authorized person acting on its behalf concerning the Company and its business and to obtain any additional information, to the extent possessed by the Company (or to the extent it could have been acquired by the Company without unreasonable effort or expense) necessary to verify the accuracy of the information received by Subscriber. The Subscriber has had the opportunity to discuss the Company's business, management and financial affairs with the Company's management or any authorized person acting on its behalf. Subscriber has received and reviewed all the information concerning the Company both written and oral, that Subscriber desires. Without limiting the generality of the foregoing, Subscriber has been furnished with or has had the opportunity to acquire, and to review: all information that Subscriber desires with respect to the Company's business, management, financial affairs and prospects.

(f) Subscriber acknowledges that the Subscriber has reviewed the Company's information as provided. That the Company is a new company with limited assets.

(g) Subscriber has all requisite legal and other power and authority to execute and deliver this Subscription Agreement and to carry out and perform Subscriber's obligations under the terms of this Subscription Agreement.

(h) Subscriber has carefully considered and has discussed with the Subscriber's legal, tax, accounting and financial advisors, to the extent the Subscriber has deemed necessary, the suitability of this investment and the transactions contemplated by this Subscription Agreement for the Subscriber's particular federal, state, local and foreign tax and financial situation and has independently determined that this investment and the transactions contemplated by this Subscription Agreement are a suitable investment for the Subscriber. Subscriber has relied solely on such advisors and not on any statements or representations of the Company or any of its agents.

(i) Subscriber acknowledges that an investment in the Securities is speculative and involves a high degree of risk and that Subscriber can bear the economic risk of the purchase of the Securities, including a total loss of his/her/its investment.

(j) Subscriber acknowledges that no federal, state or foreign agency has recommended or endorsed the purchase of the Securities.

(k) Subscriber acknowledges that the Securities are and will be, when issued, "restricted securities" as that term is defined in Rule 144 of the general rules and regulations under the Act.

## OFFERING STATEMENT

100 units of Convertible Notes, at \$100 per Unit			
	# Of Units	Total Proceeds	Net Proceeds
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Maximum Amount	10,700	\$1,070,000	\$1,011,150

(l) Subscriber understands that any and all certificates representing the Note or any securities that may be issued upon the conversion of the Note, and any and all securities issued in replacement thereof or in exchange therefore shall bear the following legend or one substantially similar thereto, which Subscriber has read and understands:

(m) Subscriber represents that: (i) Subscriber is able to bear the economic risks of an investment in the Securities and to afford a complete loss of the investment, and (ii) (A) Subscriber could be reasonably assumed to have the ability and capacity to protect his/her/its interests in connection with this subscription; or (B) Subscriber has a pre-existing personal or business relationship with either the Company or any affiliate thereof of such duration and nature as would enable a reasonably prudent purchaser to be aware of the character, business acumen and general business and financial circumstances of the Company or such affiliate and is otherwise personally qualified to evaluate and assess the risks, nature and other aspects of this subscription.

(n) Subscriber acknowledges that no warranties nor guarantees have been made in connection with the purchase of the Note.

3. Representations and Warranties of the Company. The Company represents and warrants to Subscriber as follows:

(a) The Company is duly organized and validly exists as a corporation in good standing under the laws of the State of California.

(b) The Company has all such corporate power and authority to enter into, deliver and perform this Subscription Agreement.

(c) All necessary corporate action has been duly and validly taken by the Company to authorize the execution, delivery and performance of this Subscription Agreement by the Company, and the issuance and sale of the Securities to be sold by the Company pursuant to this Subscription Agreement. This Subscription Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

4. Indemnification. Subscriber agrees to indemnify and hold harmless the Company and its respective officers, directors, employees, shareholders, agents, attorneys, representatives and affiliates, and any person acting for or on behalf of the Company from and against any and all damage, loss, liability, cost and expense (including reasonable attorneys' fees and disbursements) which any of them may incur by reason of the failure by Subscriber to fulfill any of the terms and conditions of this Subscription Agreement, or by reason of any breach of the representations and warranties made by Subscriber herein, or in any other document provided by Subscriber to the Company in connection with this investment. All representations, warranties and covenants of each of Subscriber and the Company contained herein shall survive the acceptance of this subscription and the Closings.

5. Compliance with Laws and Other Instruments. The signature and delivery of the Subscription Documents, the consummation of the transactions contemplated hereby and thereby in accordance with the terms

## OFFERING STATEMENT

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<i>Maximum Amount</i>	<b>10,700</b>	<b>\$1,070,000</b>	<b>\$1,011,150</b>

and conditions of the Memorandum, the Form of Note, and the Subscription Documents, and the performance of the Subscriber's obligations hereunder and thereunder will not conflict with, or result in any violation of or default under, any other instrument to which Subscriber is a party or by which the Subscriber or any of the Subscriber's properties are bound or any permit, franchise, judgment, decree, statute, rule or regulation applicable to the Subscriber or the Subscriber's properties.

6. Update of Representations and Warranties; Reliance by the Company. All information Subscriber has provided or will provide to the Company regarding the Subscription Documents is true, correct and complete as of the date of execution of this Agreement and as of the date of Closing. Subscriber will promptly provide to the Company written notice of any material changes to information provided to the Company. Subscriber acknowledges and understands the Company will rely on the representations and warranties contained in this Agreement to determine the applicability of certain securities laws, the suitability of Subscriber as an investor in the Company, and for certain other purposes.

7. Tax Considerations. The Subscriber is not relying on the Company, its managers, or professional advisers regarding tax considerations involved in an investment in the Notes. Subscriber understands and acknowledges that there are no assurances as to the tax results of this Agreement. SUBSCRIBER HAS HAD THE OPPORTUNITY TO CONSULT WITH SUBSCRIBER'S OWN LEGAL, ACCOUNTING, TAX, INVESTMENT AND OTHER ADVISERS WITH RESPECT TO THE TAX TREATMENT OF AN INVESTMENT IN THE NOTES AND THE MERITS AND RISKS OF AN INVESTMENT IN THE NOTES.

8. Miscellaneous.

(a) Subscriber agrees not to transfer or assign this Subscription Agreement or any of Subscriber's interest herein and further agrees that the transfer or assignment of the Securities acquired pursuant hereto shall be made only in accordance with all applicable laws.

(b) Subscriber agrees that Subscriber cannot cancel, terminate, or revoke this Subscription Agreement or any agreement of Subscriber made hereunder, and this Subscription Agreement shall survive the death or legal disability of Subscriber and shall be binding upon Subscriber's heirs, executors, administrators, successors, and permitted assigns.

(c) Subscriber has read and has accurately completed this entire Subscription Agreement.

(d) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended or waived only by a written instrument signed by all parties.

(e) Subscriber acknowledges that it has been advised and has had the opportunity to consult with Subscriber's own attorney regarding this subscription and Subscriber has done so to the extent that Subscriber deems appropriate.



## OFFERING STATEMENT

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(f) Any notice or other document required or permitted to be given or delivered to the parties hereto shall be in writing and sent: (i) by fax if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid) or (c) by a recognized overnight delivery service (with charges prepaid) to the mailing address of the Company or if to the Subscriber, at its address set forth on the signature page to this Subscription Agreement, or such other address as Subscriber or the Company shall have specified in writing. .

(g) Failure of the Company to exercise any right or remedy under this Subscription Agreement or any other agreement between the Company and the Subscriber, or otherwise, or any delay by the Company in exercising such right or remedy, will not operate as a waiver thereof. No waiver by the Company will be effective unless and until it is in writing and signed by the Company.

(h) This Subscription Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of Texas, as such laws are applied by the Texas courts except with respect to the conflicts of law provisions thereof, and shall be binding upon the Subscriber and the Subscriber's heirs, estate, legal representatives, successors and permitted assigns and shall inure to the benefit of the Company, and its successors and assigns.

(i) Any legal suit, action or proceeding arising out of or relating to this Subscription Agreement or the transactions contemplated hereby shall be instituted exclusively in the Circuit Court in and for Harris County, Texas. The parties hereto hereby: (i) waive any objection which they may now have or hereafter have to the venue of any such suit, action or proceeding, and (ii) irrevocably consent to the jurisdiction of the Circuit Court in and for Harris County, Texas.

(j) If any provision of this Subscription Agreement is held to be invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed modified to conform with such statute or rule of law. Any provision hereof that may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provisions hereof.

(k) The parties understand and agree that money damages would not be a sufficient remedy for any breach of this Subscription Agreement by the Company or the Subscriber and that the party against which such breach is committed shall be entitled to equitable relief, including an injunction and specific performance, as a remedy for any such breach, without the necessity of establishing irreparable harm or posting a bond therefor. Such remedies shall not be deemed to be the exclusive remedies for a breach by either party of this Subscription Agreement but shall be in addition to all other remedies available at law or equity to the party against which such breach is committed.

(l) This Agreement may be amended, and the observance of any provision may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of each party to be bound by such an amendment or waiver. No provision of this Agreement will be deemed to have been waived unless a waiver is contained in a written notice given to the party claiming waiver has occurred, and no waiver shall be deemed to be a waiver of any other or further obligation or liability of the party in whose favor the waiver was given. It is understood that this Agreement is not binding on the Company until the Company accepts it, which acceptance is at the sole discretion of the Company and shall be noted by execution of this



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Agreement where indicated. Subscriber hereby acknowledges that this Agreement may not be revoked by the Subscriber. Subscriber agrees that if this Agreement is accepted, Subscriber shall, and Subscriber hereby elects to, execute any and all further documents necessary in connection with this Agreement.

(m) All representations and warranties contained in this Agreement or made in writing by Subscriber or by the Company in connection with this Agreement or the Subscription Documents will survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of the Company or Subscriber, and the issuance and sale of the Notes.

(n) This Agreement and the representations and warranties contained herein will be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of Subscriber and the Company.

(o) Whenever notice is required or permitted by this Agreement to be given, it shall be in writing. When notice is given to Subscriber, it shall be pursuant to the instructions set forth in Subscriber's Notification Information Page or to an update thereto as Subscriber shall provide to the Company in writing. When notice is given to the Company, it shall be sent to 420 Real Estate LLC 18530 Mack Ave., Grosse Pointe Farms, MI 48236, or to another address as the Company shall provide to the Subscriber in writing. Electronic mail is permitted as a means to give notice. Notice given by electronic mail shall be effective upon receipt, if confirmed. Notice given by mail or personal delivery shall be effective upon delivery. Notices received on non-business days in the jurisdiction of the addressee are not deemed effective until the next business day. A copy of all notices sent to the Company shall be delivered with an email copy to [invest@420realestate.com](mailto:invest@420realestate.com)

(p) Subscriber irrevocably constitutes and appoints the Company's manager with full power of substitution, as the undersigned's true and lawful representative and attorney-in fact for the undersigned with respect to the Company and the Notes, granting unto such attorney-in-fact full power and authority on behalf and in the name, place and stead of the Subscriber to make, execute, acknowledge, deliver, answer to, file and record in all necessary or appropriate places any documents, tax elections, certificates or instruments which may be considered necessary or desirable by the Company to carry out fully the provisions of this Agreement and the Memorandum. The foregoing is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death, incompetence or incapacity of Subscriber. Subscriber hereby agrees to be bound by all of the actions of the Company's manager as attorney-in-fact and irrevocably waives any and all defenses which may be available to the Subscriber to contest, negate or disaffirm the actions of the Company's manager or officers, or successors under this Power of Attorney, and hereby ratifies and confirms all acts which said attorney-in-fact may take as attorney-in-fact hereunder in all respects, as though performed by the Subscriber.

(q) All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, singular or plural, as identity of the person or persons may require.

(r) This Subscription Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.



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IN WITNESS WHEREOF, Subscriber has caused this Subscription Agreement to be executed as of the date indicated below.

\$ \_\_\_\_\_

Purchase Price

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Print or Type Name (Joint-owner)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature (Joint-owner)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date (Joint-owner)

### Acceptance:

IN WITNESS WHEREOF, the Company has caused this Subscription Agreement to be executed, and the foregoing subscription accepted, as of the date indicated below, as to an aggregate of \$ \_\_\_\_\_ of the Company's Note.

**420 REAL ESTATE LLC.**

By: \_\_\_\_\_  
**Willard L. Jackson Jr.**  
**Managing Director**