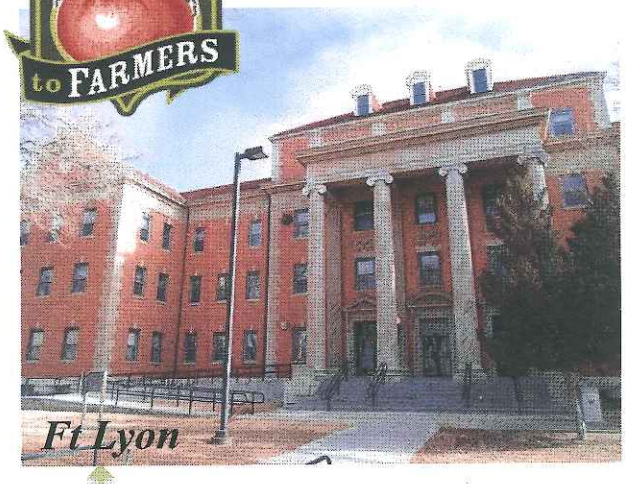
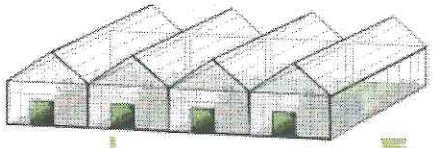
CHP-10 acre Greenhouse Production At Fort Lyon



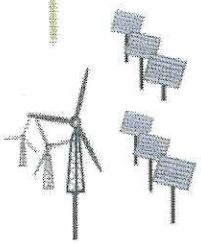
Vocational Training,
Homelessness Prevention,
Veteran Suicide Prevention
Treatment

Packaging and Processing Food Hub @ Fort Lyon

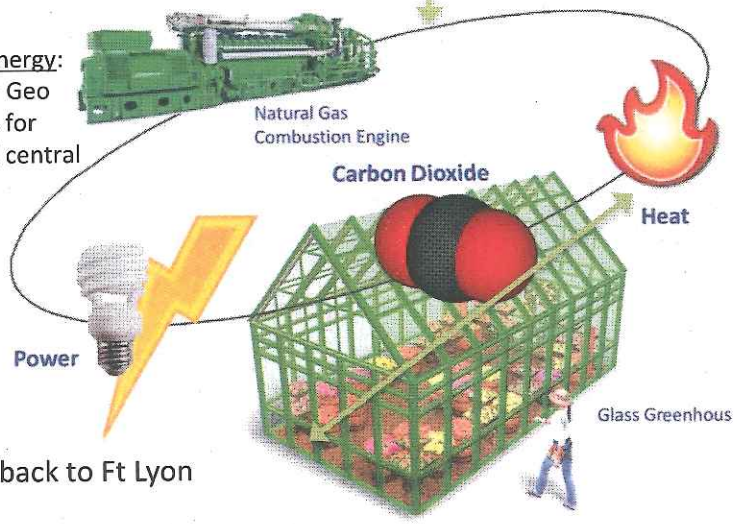
Provide value added processing services to neighboring SE CO counties and support local agriculture industry.



Tomatoes, Cucumber, Peppers, Lettuce, Culinary Herbs, Strawberries



Renewable Energy: Wind, Solar + Geo Thermal, etc. for satellites and central location



Provides excess power back to Ft Lyon

INVESTMENT ANALYSIS	Year 5
Project Cost	$15,800,000
Total Debt	$11,800,000
Total Equity	$4,000,000
Total Annual Revenue	$10,681,707
Return on Investment	**170%**

Attachment B

Additional Programs and Industry to be built off Ft Lyons using the Evergreen Coop Business Model- Worker Ownership

evergreencooperatives.com

Additional Programs and Industries:

- Chickens – Organic, Pasture Raised- Currently Colorado has no Organic chicken processing capabilities and great demand.
- Small Scale Dairy – Specialty yogurt, e.g.: Noosa yogurt in Weld County. noosayoghurt.com
- Specialty Field Cropping – Value –added at the Fort Lyon Food Hub
- Aquaculture , e.g.: premierprawn.com
- Kiri Trees – Biomass, Carbon Sequestration
- Kenaf- Fiber, Feed, Seed – Biomass, Carbon Sequestration

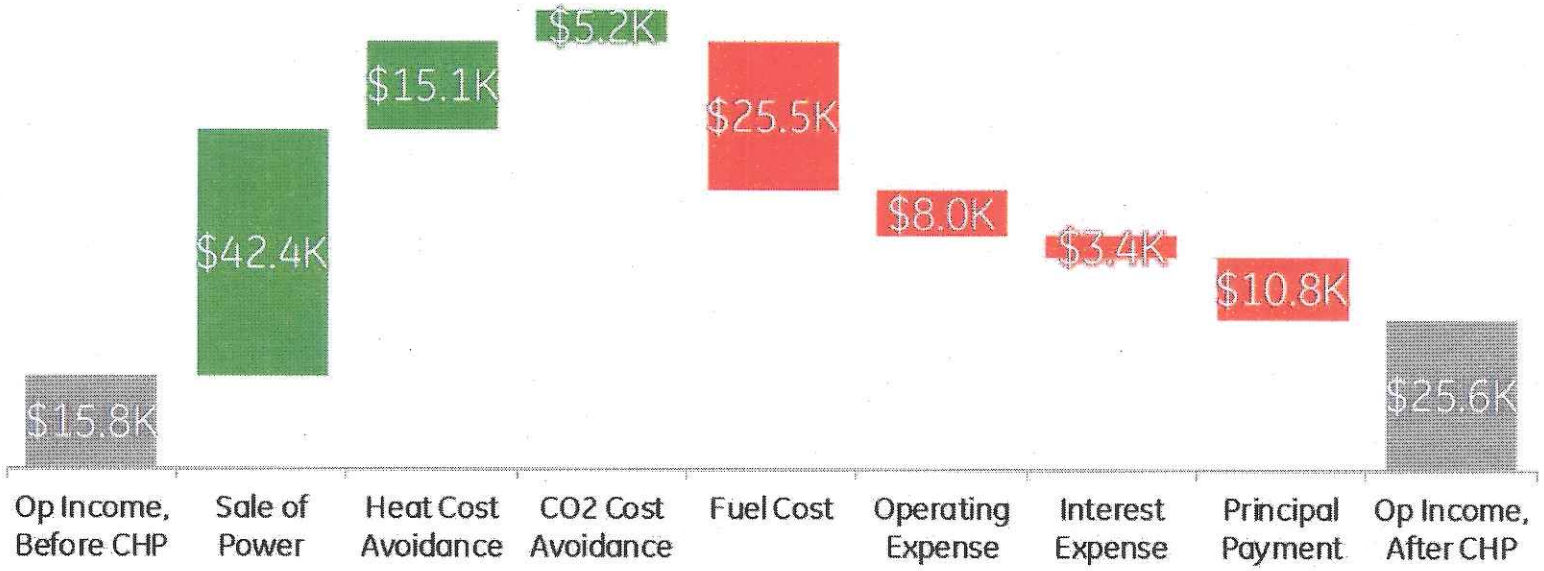
Each of these would require a feasibility and business study. Partners include Real Food Colorado, New Crops and Seeds, Spark Policy Institute.

Each of these businesses would be set up as a worker coop model and will help support the surrounding 7 counties with new industry. Bringing in 10's of millions of dollars and stable jobs while supporting our veterans with new opportunities.

A SCALABLE CEA – CHP MODEL

Financial performance per hectare (2.5 acres)

- $7MM complete installed capital cost (includes building, switchgear, interconnection, ITC cash grant, state sales tax, permitting, site construction)
- 10 year project life, 80% debt-financed at 6% for 10 years, 40% tax rate



- Sale of excess power will increase operating income by +62%
- 4.7 year pre-tax project payback (1.4 year on equity basis)
- 16% IRR

Colorado Produce Company: Greenhouse Production
Summary of Financial Projections

INCOME STATEMENT	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Tomatoes Revenue	$ 7,492,320	$ 7,866,936	$ 8,260,283	$ 8,673,297	$ 9,106,962
Cucumbers Revenue	$ 1,295,547	$ 1,360,324	$ 1,428,341	$ 1,499,758	$ 1,574,745
Other Revenue	$ -	$ -	$ -	$ -	$ -
Total Sales	**$ 8,787,867**	**$ 9,227,260**	**$ 9,688,623**	**$ 10,173,055**	**$ 10,681,707**
Variable Expenses					
Total Labor	$ 1,521,000	$ 1,566,630	$ 1,613,629	$ 1,662,038	$ 1,711,899
Direct Variable Expenses	2,813,367	2,954,035	3,101,737	3,256,823	3,419,665
Ending COGS	$ 4,334,367	$ 4,520,665	$ 4,715,366	$ 4,918,861	$ 5,131,564
Gross margin	**$ 4,453,500**	**$ 4,706,595**	**$ 4,973,258**	**$ 5,254,193**	**$ 5,550,144**
Operating expenses					
Other Operating Expenses	$ 1,488,396	$ 1,562,816	$ 1,640,957	$ 1,723,004	$ 1,809,155
Depreciation	$ 1,195,887	$ 1,195,887	$ 1,195,887	$ 1,195,887	$ 1,195,887
Non-Operating Expenses	$ 288,197	$ 250,107	$ 262,612	$ 275,742	$ 289,530
Total operating expenses	**$ 2,972,480**	**$ 3,008,810**	**$ 3,099,456**	**$ 3,194,634**	**$ 3,294,572**
EBIT	**$ 1,481,020**	**$ 1,697,786**	**$ 1,873,802**	**$ 2,059,559**	**$ 2,255,572**
Debt Interest Expense	$ 843,509	$ 744,314	$ 680,362	$ 583,682	$ 512,856
Preferred Investor Return	$ 280,000	$ 280,000	$ 280,000	$ 280,000	$ 280,000
EBT	**$ 357,512**	**$ 673,471**	**$ 913,440**	**$ 1,195,877**	**$ 1,462,716**
Taxes (30%)	107,253	202,041	274,032	358,763	438,815
Net income	**$ 250,258**	**$ 471,430**	**$ 639,408**	**$ 837,114**	**$ 1,023,901**
Dividends	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000
Addition to retained earnings	**$ 250,258**	**$ 471,430**	**$ 639,408**	**$ (162,886)**	**$ 23,901**

BALANCE SHEET	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Cash	$ 1,343,399	$ 2,297,745	$ 3,348,712	$ 3,704,722	$ 4,174,673
Inventory	$ 79,569	$ 83,548	$ 87,725	$ 92,112	$ 96,717
Receivables	$ 874,104	$ 917,809	$ 963,700	$ 1,011,885	$ 1,062,479
Total non fixed assets:	**$ 2,297,072**	**$ 3,299,102**	**$ 4,400,137**	**$ 4,808,718**	**$ 5,333,869**
Buildings + Land	$ 13,150,000	$ 13,150,000	$ 13,150,000	$ 13,150,000	$ 13,150,000
Other Equipment	$ 1,050,000	$ 1,050,000	$ 1,050,000	$ 1,050,000	$ 1,050,000
Accumulated Depreciation	$ 1,195,887	$ 2,391,775	$ 3,587,662	$ 4,783,550	$ 5,979,437
Total fixed assets:	**$ 13,004,113**	**$ 11,808,225**	**$ 10,612,338**	**$ 9,416,450**	**$ 8,220,563**
Total assets:	**$ 15,301,185**	**$ 15,107,327**	**$ 15,012,474**	**$ 14,225,168**	**$ 13,554,432**
Liabilities & Equity					
Accounts payable	$ 303,571	$ 316,214	$ 329,414	$ 343,195	$ 357,585
Note Payable	$ 341,543	$ 175,013	$ -	$ -	$ -
Bank Debt	$ 10,125,813	$ 9,334,411	$ 8,481,964	$ 7,563,763	$ 6,574,735
Total liabilities:	**$ 10,770,927**	**$ 9,825,639**	**$ 8,811,378**	**$ 7,906,958**	**$ 6,932,320**
Shareholder Equity	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
Retained earnings	$ 530,258	$ 1,281,688	$ 2,201,096	$ 2,318,210	$ 2,622,111
Total equity:	**$ 4,530,258**	**$ 5,281,688**	**$ 6,201,096**	**$ 6,318,210**	**$ 6,622,111**
Total liabilities & equity:	**$ 15,301,185**	**$ 15,107,327**	**$ 15,012,474**	**$ 14,225,168**	**$ 13,554,432**
Reconciliation	$ -	$ -	$ -	$ -	$ -

CASH FLOW STATEMENT	Year 1	Year 2	Year 3	Year 4	Year 5
Cash flow from operations					
Net income	$ 250,258	$ 471,430	$ 639,408	$ 837,114	$ 1,023,901
(+) Depreciation	$ 1,195,887	$ 1,195,887	$ 1,195,887	$ 1,195,887	$ 1,195,887
(-)Increase/(+)Decrease of A/P	$ 303,571	$ 12,644	$ 13,200	$ 13,781	$ 14,390
(-)Increase/(+)Decrease of inventory	$ (79,569)	$ (3,978)	$ (4,177)	$ (4,386)	$ (4,606)
(+)Increase/(-)Decrease of A/R	$ (874,104)	$ (43,705)	$ (45,890)	$ (48,185)	$ (50,594)
Total cash flow from operations	**$ 796,043**	**$ 1,632,277**	**$ 1,798,427**	**$ 1,994,211**	**$ 2,178,979**
Cash flow from investing					
(-) Building, Materials, etc	$ (12,150,000)	$ -	$ -	$ -	$ -
(-)Purchase of Cooling equipment	$ (1,000,000)	$ -	$ -	$ -	$ -
(-) Purchase of Vehicles	$ (150,000)	$ -	$ -	$ -	$ -
(-) Office/Other Equipment	$ (900,000)	$ -	$ -	$ -	$ -
(+)Disposal of equipment	$ -	$ -	$ -	$ -	$ -
Total cash flow from investing	**$ (14,200,000)**	**$ -**	**$ -**	**$ -**	**$ -**
Cash flow from financing					
(+)Bank Loan	$ 10,500,000	$ -	$ -	$ -	$ -
(+)Investment	$ 4,000,000	$ -	$ -	$ -	$ -
(+)Owner's Note	$ 500,000	$ -	$ -	$ -	$ -
(-)Payment of Loan Principal	$ (1,332,644)	$ (957,931)	$ (1,027,461)	$ (918,201)	$ (989,028)
(-)Cash withdrawal by the owners/payment of dividends	$ -	$ -	$ -	$ (1,000,000)	$ (1,000,000)
Total cash flow from financing	**$ 13,667,356**	**$ (957,931)**	**$ (1,027,461)**	**$ (1,918,201)**	**$ (1,989,028)**
Net cash flow	$ 263,399	$ 674,346	$ 770,967	$ 76,010	$ 189,951
Beginning cash	**$ 800,000**	**$ 1,063,399**	**$ 1,737,745**	**$ 2,508,712**	**$ 2,584,722**
Ending cash	**$ 1,063,399**	**$ 1,737,745**	**$ 2,508,712**	**$ 2,584,722**	**$ 2,774,673**

RATIO ANALYSIS	Year 1	Year 2	Year 3	Year 4	Year 5
Current Ratio	7.57	10.43	13.36	14.01	14.92
Acid Test Ratio	4.16	7.00	9.90	10.53	11.40
Quick Ratio	7.30	10.17	13.09	13.74	14.65
Op Expense to Sales	33.8%	32.6%	32.0%	31.4%	30.8%
Gross Margin	50.7%	51.0%	51.3%	51.6%	52.0%
Net Margin (EBIT)	16.9%	18.4%	19.3%	20.2%	21.1%
Net Margin (all)	2.8%	5.1%	6.6%	-1.6%	0.2%
Leverage Multiplier	337.8%	286.0%	242.1%	225.1%	204.7%
Assets Utilization	57.4%	61.1%	64.5%	71.5%	78.8%
Total Debt to Assets	70.4%	65.0%	58.7%	55.6%	51.1%
Debt Service Coverage Ratio (DSCR)	1.05	1.42	1.47	1.74	1.82
Interest Coverage	175.6%	228.1%	275.4%	352.9%	439.8%
Interest Expense to Sales	9.6%	8.1%	7.0%	5.7%	4.8%
Return on Assets Ratio	**1.6%**	**3.1%**	**4.2%**	**5.7%**	**7.4%**
Return on Equity Ratio	**5.5%**	**9.6%**	**11.1%**	**13.4%**	**15.8%**

INVESTMENT ANALYSIS	Year 5
Project Cost	$ 15,800,000
Total Debt	$ 11,800,000
Total Equity	$ 4,000,000
Total Annual Revenue	$ 10,681,707
Return on Investment	**170%**