USDA BUSINESS & INDUSTRY (B&I) LENDER EXECUTIVE SUMMARY

Commercial Credit Request & Underwriting Package | **Document Control:** PJAE-FIN-2026-014 | **Date:** November 13, 2026
Borrowing Entity (PropCo): Peter Jones Land & Logistics, LLC (Virginia LLC — Rural/Eligible Petersburg Area)
Operating Tenant (OpCo): Peter Jones Agriculture, LLC ("Peter Jones Farms")
Corporate Guarantor / Managing Member: Peter Jones, Inc. (Eugene B. Batiste III, Founder, Chairman & CEO)
Certifications: Federally Verified SDVOSB | Commonwealth of Virginia SWaM-Certified Vendor

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1. Executive Credit Request Overview

Peter Jones Land & Logistics, LLC ("Borrower" or "PropCo") requests a **$2,400,000 senior secured commercial real estate and equipment term loan** structured under the **USDA Rural Development Business & Industry (B&I) Guaranteed Loan Program** (7 C.F.R. Part 5001). Loan proceeds will fund 80.0% of the $3,000,000 total project cost to acquire, retrofit, and equip a turnkey ~10,000–12,000 sq. ft. M-1 zoned Controlled Environment Agriculture (CEA) facility in Petersburg, Virginia.

To eliminate the structural vulnerabilities that caused earlier indoor farms to fail, the transaction separates hard real estate collateral (**PropCo**) from agricultural production (**OpCo**), locks in pre-sold institutional off-take demand prior to planting, and hedges industrial utility costs via 36-month fixed-rate power contracts.

Submitted By (Sponsor & Borrower Representative):
Eugene B. Batiste III, Founder, Chairman & Chief Executive Officer | Peter Jones, Inc. / Peter Jones Land & Logistics, LLC | Petersburg, Virginia | Phone: (804) 238-1166 | Email: capital@peterjonesgroup.com

2. Capital Stack & Sources and Uses ($3,000,000 Total Project)

Sources of Funds	Amount ($)	%	Uses of Funds	Amount ($)	%
Senior Commercial Loan *(USDA B&I 80% Guarantee Eligible)*	**$2,400,000**	80.0%	**Turnkey M-1 Warehouse Acquisition** *(~10,000–12,000 sq. ft. Petersburg Facility)*	**$1,450,000**	48.3%
Committed PropCo LP Equity *(Class B Reg D Syndication)*	**$600,000**	20.0%	**Biosecure Envelope & MEP Retrofit** *(Vapor barriers, HVAC/dehumidification, 3-phase power)*	**$550,000**	18.3%
—	—	—	**5-Tier Vertical Aeroponic Systems** *(~35,000 sq. ft. canopy, LEDs, fertigation, cold storage)*	**$800,000**	26.7%
—	—	—	**Closing, Appraisal, ESA & Debt Reserve**	**$200,000**	6.7%
TOTAL SOURCES	**$3,000,000**	**100.0%**	**TOTAL USES**	**$3,000,000**	**100.0%**

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3. Proposed Credit Terms & Collateral Coverage

Credit Parameter	Proposed Underwriting Structure
Facility Amount & Program	**$2,400,000** Senior Term Loan — USDA B&I Loan Guarantee (80% federal guarantee coverage; $1,920,000 guaranteed portion / $480,000 unguaranteed lender retention)
Amortization & Term	Blended **20-to-25-Year Amortization** (real estate & fixed ag-manufacturing infrastructure) with 5-to-7-year rate reset or fixed-rate swap
Primary Collateral & LTV	First-priority Deed of Trust on fee-simple Petersburg M-1 real estate plus first-lien UCC-1 security interest on all PropCo-owned vertical aeroponic racking, HVAC, LED, and cold-chain equipment (**80.0% Loan-to-Cost / ≤80% As-Stabilized LTV**)
Primary Repayment Source	Contracted monthly rent from a **10-year Triple-Net (NNN) Master Lease** with **Peter Jones Agriculture, LLC (OpCo)** ($24,000/mo / $288,000 Year 1 Base Rent with 2.5% annual escalators), underwritten to maintain a **≥1.25x Debt Service Coverage Ratio (DSCR)**
Guarantees & Reserves	Corporate Guarantee of **Peter Jones, Inc. (HoldCo)**, unlimited personal guarantee of **Eugene B. Batiste III** (pursuant to 7 C.F.R. § 5001.204), and a dedicated 6-month Debt Service Reserve Account funded at closing

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4. Primary Risk Mitigants for Credit Committee Review

- **1. Pre-Sold Institutional Off-Take (Demand Certainty):** OpCo enters commissioning with forward supply agreements targeting **VASCUPP universities** (leveraging Virginia's 42% SWaM procurement mandate), **Veterans Health Administration (VHA) medical centers** (SDVOSB set-aside advantage), and Mid-Atlantic regional grocers—eliminating speculative spot-market pricing risk.

- **2. Hedged Energy & Operating Cost Structure:** Industrial electricity consumption is locked under a **36-month fixed-rate Dominion Energy contract** administered by sister entity **Peter Jones Capital, LLC (TradeCo)**, preventing utility spikes from eroding OpCo's NNN lease coverage.

- **3. Clean Environmental & Turnkey Speed-to-Market:** Unlike ground-up construction or blighted historic rehabs, PropCo targets an existing, clean M-1 industrial warehouse requiring clean Phase I/II Environmental Site Assessments (ESAs) and rapid 90-to-120-day interior racking installation.

- **4. Experienced Executive & Agronomic Command:** Governed by Founder & Chairman **Eugene B. Batiste III** (U.S. military veteran, BFA, BS/MS Agribusiness & Economics) alongside a dedicated **Master Grower / OpCo CEO** recruited from Virginia State University's Controlled Environment Agriculture extension leadership, plus independent B2B cash flow from **Peter Jones Communications, LLC (MediaCo)**.

- **5. General-Purpose Industrial Re-Letting Value:** The underlying Petersburg I-95 corridor M-1 warehouse retains strong adaptive industrial and cold-storage market value independent of specialty crop operations.

5. Economic Impact & USDA Rural Development Alignment

- **Rural & Distressed Community Revitalization:** Located in Petersburg, Virginia (an eligible rural/distressed economic zone), creating living-wage agricultural technology, logistics, and quality-assurance jobs while expanding regional food-supply resilience.

- **Veteran & Minority Enterprise Leadership:** Majority-owned and controlled by a Service-Disabled Veteran entrepreneur in partnership with Virginia State University (an 1890 Land-Grant HBCU).

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