

Business Plan: Harris Industrial Park Inc. (HIPCO)

Business Name: Orion Technology Management & Colorado Pyrolysis Center

Business Owner: Harris Family Industries – Leon Harris Jr. & Ace Corp – Allan Brewster

Business Sponsor: Borderland Development – Adolfo Bernal

Executive Summary

Harris Industrial Park (HIPCO) was established in 2018 with the intention of developing newly purchased land assets, addressed; (Tract 8) 6 Davis Rd., Rye, Huerfano County, Colorado, along Interstate 25 (I25). I25 is the main corridor for nearly every major city in Colorado; therefore, our vision is developing the infrastructure needed to establish ‘economic desirability’ along the interstate in southern Colorado. By establishing our ‘strategic partnerships’ with close associations, HIPCO has created the proper team for completing this vision.

The project area coined, ‘The Gap’; is a 40+ mile stretch of I25 property from the end of Pueblo to Trinidad, Colorado. This area is significantly underdeveloped considering developments less than 75mi northbound. Though lacking in modern infrastructure, the opportunity for sustainable developments utilizing CPACE is undoubtedly the best option for southern Colorado.

Tract 8 shares the easement with San Isabel Electric Associations (SIEA) 69kV transmission line. This provides an advantage when developing critical infrastructure through a ‘strategic partnership’ with SIEA. System Impact studies (SIS) are currently being conducted through SIEA measures the impact and feasibility of interconnecting to the grid. The SIS will confirm substation build (in planning), and the critical infrastructure upgrades needed on the property for interconnecting to the Public Utilities Association (PUA). Additionally, Huerfano County Land Use Department is fully engaged and knowledgeable of the planned build with SIEA.

HIPCO & SIEA’s planned system deployments: Firstly, a 2MW service tap along our shared easement in preparation for the construction and initial power needs for phases 1 & 2. During this phase the industrial generation design will be deployed by erecting both Orion Tech and Colorado Pyrolysis Center. Secondly, our conditional five-year plan to erect new substation build ensure the PUA can receive the generation resources. SIEA will consider a substation build if the power need exceeds 4MW. Thirdly, Phase 3 is the Convenience Store deployment, EV Charging pad, and new 4MW service upgrade. This justifies HIPCO is planned 6MW+ substation.

Phase 4+ for Tract 8 will emphasize SIPs home building opportunities in southern Colorado. Additional Phases will deploy contingent on SIEA substation completion. The SIEA plan development will take approx. 5 years (contingent on SIS review). The A1AC has been moved to later phase deployment.

For more information, please contact: HIPCO - Leon Harris Jr. Phone: 719-725-9724

Email1: LHJ@SWANROSEHOLDINGS.COM Email2: SWAN@HARRISINDUSTRIALPARK.COM

Mission Summary

Mission Statement: Sustainability through industrial generation and community development.

Business Concept: Land development opportunity emphasizing critical and sustainable infrastructure developments.

Vision Statement: Improving rural county critical infrastructure focusing on sustainable energy, job creation and bridging developmental gaps in southern Colorado.

Values: Innovation, sustainability, community commitment, economic development, and strategic partnerships.

Critical Issues

Southern Colorado's stretch of I25, known as 'The Gap,' suffers from underdevelopment and lacks essential infrastructure.

'The Gap' is known as everything south of Pueblo, CO to Trinidad, CO - the border between Colorado and New Mexico.

Lack of Presence, no major retailer or developments considering I25 is main corridor for traveling through Colorado.

Lack of economic opportunities for residents & local businesses.

Simple Solutions

Strategic partnerships create commercial and industrial opportunities for the community and state of Colorado.

Clean energy projects, including solar farms for passive generation & CHP (Pyrolysis) system for agricultural waste-to-profit services & geo-electrical generation.

Digital billboards, for critical infrastructure piece, approx. 6million AAYT, and revenue generation through advertising campaign.

Strategic Partnerships:

San Isabel Electric Association: Southern Colorado Utilities company and PUA Authority

Borderland Development: Construction partner and sponsor for Harris Industrial Park LLC.

Mayan Industries: SIPs manufacturer, Solar provider, eco-construction support.

Swan Rose Holdings: Principle (HIPCO) asset management consulting company.

ACE Corp: CPACE project developer & finance management company.

Commercial PACE Colorado - Castle Green Finance - Graco Commercial Capital

Industrial Generation Design: Facility Interconnection Summary

Facility A: Orion Technology Center – Sustainable Systems Command Center

10,000 sf facility including basement – centered as the technology command, handling analytics and industrial generation systems, management of generation flow, and executive operations for the industrial park.

4MW solar generation farm. This is the primary electric supply and sustainable option for both Pyrolysis and Technology facilities (and future EV Charging pad).

Utilities central command, water, electrical, and geothermal grounds management

Excess generation sold to the PUA of Colorado

Facility B: Colorado Pyrolysis Center – Operational Processing & Manufacturing Services

20,000 sf facility including basement – utilizing pre & post processing methodologies for Pyrolysis manufacturing.

Pyrolysis Reactor Room, Manufacturing Facilities, Administration, R & D Laboratory

CHP generation and additional by product processing; bio-crude, syngas production, biochar

Additional usage: manufacturing space and byproducts used in the manufacturing of eco-friendly (Eco-Market?) productions.

Combined Operations: Solar & CHP

Material Input: Wood-waste from burn, beetle rot, ag farm, land management ops

Pyrolysis Process: Agricultural & wood-waste processing services

Interconnection: PUA Colorado, Geo-electro/thermal production, Solar generation

Resource Mitigation: water mitigation, water conservation and management service

Critical Infrastructure & Planned Utility systems

SIEA Critical Infrastructure development – 2MW service installation (initial, 6MW total), interconnection upgrades, transmission line relocation to new roadway.

4MW Solar Farm installation, interconnection for Pyrolysis and Technology command, interconnection for PUA, for both generation facilities

50MW CHP Pyrolysis System: Wet processing operation & geo-electric generation.

Water infrastructure and mitigation facility for CHP

Geothermal heated roadway utilizing excess heat from the CHP w/ drainage and collection system for water mitigation & conservation operations.

Financial Phases & Funding Requirements:

Phase 1 & 2: Estimated \$41,723,890 for critical infrastructure installations, industrial generation installations, and commercial development preparations.

Phase 1: \$17,921,500

Critical Infrastructure Pt. I

4MW Solar Farm w/ interconnection roughing both facilities & PUA

Formwork, Geothermal pipeline, Roadway

Concrete Installations, Utility roughing

Phase 2: \$23,811,390

Facility A & B: Exterior, Interior & Rooftop Installations

Interconnection w/ sustainable farm & geothermal systems

Facility A: Databasing Center

Facility B: CHP/Pyrolysis Installation

Solar Array Interconnection Bldg. & PUA

Phase 3: Estimated \$12,864,025 for C-Store, EV charging pad, critical infrastructure installations II SIEA, Initial Fueling Supply

Phase 3: \$12.864 million

Critical Infrastructure Pt. II

Convenience Store Deployment

EV Charge Station Deployment

Fueling Station Deployment

Phase 4: Planned expansion post 5-year critical infrastructure plan. Newly planned expansion emphasizing SIP home developments for eco-friendly & more affordable living opportunities.

Phase 4: Costs TBD

Pending SIPS model home – multiplex living facilities

Profit and Loss Forecast: Summary

Revenue Projections:

Projected solar farm revenue: \$0.12 per kWh. 6.6mKWh per annum = \$792,000

Digital Billboard & Critical Advisory system: \$480,000

Datacenter digital analytic & cloud/remote Services: \$1,000,000

Projected revenue from pyrolysis byproducts: \$3.15 million to \$20.125 million annually

Contingent Offtake Agreement w/ Plastics Co.: \$6 million per 4 million lbs. Black Carbon.

Summary of Estimated Annual Operating Costs

Orion Tech Center: \$643,500

Pyrolysis Center: \$1,430,000

Total Annual Staffing Costs: \$2,073,500

Adjusted Net Annual Revenue:

Annual Revenue Industrial Generation Center (Post-Construction): \$9,042,000

Net Annual Revenue After Staffing Costs (1-line): \$7,562,000 - \$2,073,500 = \$6,968,500

Net Annual Revenue After Staffing Costs (2-line): \$15,980,000 - \$2,902,900 = \$13,077,100

Breakeven Analysis:

Low:

(Initial Upstart Cost: 42,000,000) / (Adjusted Net Annual Revenue: 6,968,500) = approx. 6.03 years

(Including 24Month Construction Period) = approx. 8.03 years

High:

(Initial Upstart Cost: 42,000,000) / (Adjusted Net Annual Revenue: 13,077,100) = approx. 3.21 years

(Including 24Month Construction Period) = approx. 5.21 years

Conclusion:

The breakeven period extends between approximately 5 & 8 years, considering a 24month construction period with no income, and if both input-lines are in full production. Considering the conditional offtake agreement, year 8 would be the break even year

Footnotes

Please refer to the organizational chart for more team & strategic partner information.

'Strategic Partnership' is defined as an associate we are directly involved or will be directly involved with during the development of our construction vision. These are not financially binding agreements, unless otherwise stated by contract and validated by both/all parties involved.

'Economic Desirability' is defined as a commercial development opportunity that could bring economic stimulation to surrounding areas.

TECC Budgets reviewed by CPACE Colorado & Castle Green Finance.

Figures & industry average cost assumptions for our region/industries were used to project assumed breakeven period.

