

Tulip Hill Winery and Tasting Room Nice, California



OFFERING MEMORANDUM

PRICE: \$1,500,000

OFFERED BY: TOM LARSON & TONY FORD



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Lake County Winery and Tasting Room

Salient Facts

LOCATION:	4900 Bartlett Springs Road, Nice, CA 95464	
APN:	004-032-160-00	
COUNTY:	Lake County	
APPELLATION:	Clearlake AVA	
PARCEL SIZE:	6.29 +/- acres	
ZONING:	(M1) Light Industrial	
WATER:	Well and water rights from Clear Lake.	
PERMITTED WINERY:	300,000 gallon winery production permit. Events and public tasting allowed.	
TASTING ROOM:	Turn key tasting room on Hwy 20 that produced \$203,000 in gross receipts in 2010.	
TAX STATUS:	Standard Lake County rate of approx 1.125% of purchase price/assessed value.	
WINE BRAND:	The Tulip Hill brand/business is <u>not</u> part of this offering.	
STRUCTURES:	Wine Production, bottling & packaging	Approx. 11,000 sf
	Incidental offices	Approx. 1,000 sf
	Storage	Approx. 8,000 sf
	Wine Tasting Room	Approx. 800 sf
TANKS INCLUDED:	Wine Fermentation Capacity	108,718+ gallons
	Wine Storage Capacity (not including fermentation tanks for storage)	151,347 gallons



Lake County Winery and Tasting Room

Property Overview

In March of 2003, the owner Budge Brown found a permanent home for Tulip Hill Winery at the historic Bartlett Springs water bottling building built by Vittel Mineral Water Co in 1985. After many long days of clean up and renovation, this revamped location became home to Tulip Hill Winery and Visitor Center. Located on the North Shore of Clear Lake, the largest natural lake in California that rests at the base of Mount Konociti, a now dormant volcano, Tulip Hill Winery sits in a stunning and picturesque setting. During spring, the gardens at Tulip Hill feature more than 30,000 tulips in bloom.

Lake County is a wine region that is on-the-grow with currently 27 local wineries that host the Annual Lake County Wine Adventure, a two-day passport event offering stellar wines and the best local accompaniments that Lake County has to offer. Amazingly, many are just discovering this region and its five AVA's (American Viticulture Area) which are Lake County; Benmore Valley, Clear Lake, Guenoc Valley, High Valley and Red Hills.

Lake County has a history of vineyards and winemaking going back to the late 1800's. Prohibition was the "kiss of death" for both the vineyards and wineries of Lake County. The second hit on this region was the isolation and lack of development of the railroads prohibiting cost-effective transportation of grapes to market. During this time, grape growing in neighboring counties such as Napa and Mendocino were prospering. A post-prohibition revival of grape growing began in the late 1960's. A handful of vineyards and wineries were in Lake County from 1975-2000, leading us to today with a rapid expansion of wineries throughout the region.

This medium size production winery and tasting room borders the Bio Dynamic Ceago Vinegarden (world renowned proprietor Jim Fetzer). The parcel is approx 6.29 acres in size and includes a turnkey – fully equipped 20,000+ square foot wine production facility featuring; wine lab, barrel room, tank farm with over 110,000 gallons of stainless steel tanks, cased good storage, bottling line, euro press, crush pad, loading/unloading dock, gorgeous landscape and entertaining area for events and much more (see detailed equipment list). The tasting room is ideally located right on Highway 20 and generated over \$203,000 in gross receipts in 2010. Custom crush demand is greater than ever and could provide an additional revenue stream for the new operator.

Lake County Winery and Tasting Room

Equipment List

Quantity Description

TOOLS & MISCELLANEOUS

2	Grass Rakes
6	Pitch Forks
2	Square Point Shovels
2	Full Round Shovels
1	Short or Half Shovel
1	Narrow Ditch Shovel
1	2' Wide Scoop Shovel
1	Post Hole Digger
4	Picks
1	20 lb. Sledge Hammer
2	Weed Hoes
1	4' Crow Bar
1	1.5 Ton Chain Hoist
1	.5 Ton Chain Hoist
1	Milwaukee Router
1	10" Radial Arm Saw
1	4' Fresno Cement Trowel
1	Steel Vice Table with 2 Vices
1	110V Electric Cement Mixer
1	Wheel Barrow
1	110V DevilBiss Air Compressor
4	110V White Air Fans
2	2.5 Gallon Diesel Cans
2	5 Gallon Diesel Cans
2	5 Gallon Gas Cans
1	8' Fiberglass Ladder
1	12' Fiberglass Ladder
1	4' Fiberglass Ladder
1	4' Metal Ladder
1	3' Metal Ladder
1	2' Metal Ladder
2	18' Metal X Ladders
1	5' Wood Step Ladder
1	6' Fiberglass Ladder
1	11' 6" Rolling Aluminum Stokes Barrel Ladder
1	30' Heavy Duty Chain
1	Brush Burning Torch
1	16 Gallon 6.5HP Shop Vacuum on wheels
4	2" Tape Guns
2	6" Shackles
4	4" Shackles
2	4 Ton Bottle Hydraulic Jacks
1	3' Bolt Cutter
1	24" Pipe Wrench

Quantity Description

1	36" Pipe Wrench
1	36" Steel Bridle for Crane
1	6A Schumacher Battery Charger
1	8' Metal Level
2	Solo Backpack Sprayers
1	Stihl FS110R Weed Whacker
1	Anchor Audio PA System (2 speakers on stands, microphone & cable)
1	Drop Hitch Receiver with 2" ball
1	Full Face Shield to check fork battery
1	Full Rubber Apron - Acid proof
100	Feet Aluminum Sprinkler Line
6	Rainbird Sprinklers for Aluminum Pipe
50	Feet 1.5" Fire Hose to feed sprinkler system
1	Whirlpool Washer and Dryer Set
2	Floor Mops with rolling mop buckets
1	Large Rolling Janitorial Cart
2	Green 4-Wheel Rolling Carts
1	White Flat Cart
3	2-wheel Upright Dollies
1	Small White Freezer
1	Full Size 2-door Display Refrigerator
1	20.6 cf Frigidaire Refrigerator
	Various Food Prep & Event Kitchen Ware
7	10' Pop Up Tents - Tan
1	10' x 20' Pop Up Tent - Green
5	8' Picnic Tables
1	12' Handicapped Access Picnic Table
6	4' Round Glass Patio Tables
24	Vinyl Chairs for Patio Tables
1	Electric Leaf Blower
1	Electric Hedge Trimmer
3	Silver Standing Patio Heaters with propane tanks
2	Propane Barbeques
2	Temperature Controlled Teflon Pots for melting wax
2	Propane Blast Heaters - Jets
3	Electric 240V Heaters for Patio Tent
1	Electric 240V 3 amp Steel Cable Winch
1	Craftsman 3/8" Cordless Drill 19.2V
1	Joint Mud Sprayer for texturizing with hopper to hold mud
18	Fire Extinguishers
1	18" PVC Cutter
1	18" Channel Lock Plyers
3	Cement Trowels
1	Small box of miscellaneous wrenches

Lake County Winery and Tasting Room

Equipment List

Quantity	Description
2	100' Garden Hoses
1	50' Garden Hoses
2	25' Garden Hoses
4	33 Gallon Garden Trash Cans
4	Grey Swing Lid Patio Trash Cans
1	27' x 50' Event Tent with removable walls
POWER EQUIPMENT	
1	Clark Propane Forklift with removeable bin dumper forks - CU42885
1	Genie Sizzor Lift GS2632
1	Condor Sizzor Lift 33" Wide 21' Deck
1	Craftsman 2000 Riding Mower with bags
1	DR Low Profile Brush Mower (bad motor)
1	Yellow Lift Right 5500 LB Pallet Jack
1	Orange 2500 Kg Northern Industries Pallet Jack
1	Klamath Row Boat with 3-wheel Trailer (cannot be registered)
1	Portable Pressure Washer - 1250 psi
TASTING ROOM EQUIPMENT	
2	Ikea Glass Display Cabinets with Lighted Glass Shelves
2	Custom Wood Display Cabinets with Lighted Glass Shelves
3	Barrel Tables with Round Glass Tops
2	Wooden Display Tables
1	Wood Frame Wall Mirror
1	Commercial Dishwasher - Hobart
1	Commercial Small Wine Refrigerator - Summit Commercial Products
1	Dyson Vacuum
1	Panasonic Stereo System with 5-CD Changer and Speakers
1	POS Work Station with cash drawer, display pole and scanner
2	Safes
OTHER EQUIPMENT	
1	Trane-Intelipack Chiller Unit 45.5 Ton 125 amp 480V
1	Speedaire Main Compressor Cast Iron Series Model H19312 25 HP
1	Hotsy Boiler 240V Pump, Propane Heat with extra internal coil
2	Overhead Chiller Blowers in Cellar Cooled

Quantity	Description
	Glycol Unit with Moeller Control Panel 480V Max Load 10A per phase
2	110V Humidification Mister Fans
LABWARE	
3	250mL Graduated Cylinders - Plastic
2	100mL Graduated Cylinders - Glass
1	500mL Graduated Cylinders - Glass
2	50mL Graduated Cylinders - Glass
2	25mL Graduated Cylinders - Glass
1	10mL Graduated Cylinders - Glass
2	100mL Volumetric Glass
1	500mL Volumetric Glass
2	50mL Volumetric Glass
2	500mL Beakers
2	250mL Beakers
4	100mL Beakers
1	Venturi Millipure Vacuum System
1	Micro/Lab Incubator used for Heat Stability Tests
1	Small Lab Kenmore Refrigerator Freezer
1	Spectrophotometer - Cynmar
1	pH Meter - Orion
1	DO Meter - Hach
1	SO2 Aparatus - Venturi
2	25mL Burrettes
1	Hotplate
1	Stirplate
1	5mL Pipetteman
1	1mL Pipetteman
1	100mL Pipetteman
	Several tips for above
1	VA Cash Still Modified
1	gram/oz scale
1	Fill Analyzer certified to 750mL
1	Autoclave
1	Space Heater
BOTTLING EQUIPMENT - 50 to 60 BPM	
	Orbitor
	Bertolasso Filler - 16 Spout
	Corker - Single Head
	Stainless Steel Vacuum Pump
	Spinner - 5 Head
	Imprestic Labeler
	All Manuals and Recent Service Records
	Conveyer Tracks and Tables

Lake County Winery and Tasting Room

Equipment List

Quantity	Description	Quantity	Description
	Manual Corker	2	7.5 Gal Stainless Steel kegs
	Portable Spinner - 1 head 220V Cirio Germano		HOSES, FITTINGS, ETC
	Various Hand tools used for bottling line	3	25' 1/2" hose
	FERMENTATION TANKS - all on stands	8	Spray bottles
1	1250 Gal Open Top; top 2/3 jacketed w/Clean Out Door, Racking Valve, Bottom Valve, Thermostat with gasketed lid	6	10' 2" hose
3	1200 Gal Open Top: top 2/3 jacketed w/Clean Out Door, Racking Valve, Bottom Valve, Thermostat with gasketed lid	4	25' Black water hose
13	6556 Gal Full jacket w/Sample Valve, Manway, Clean Out Door, Racking Valve, Bottom Valve, Thermostat	1	Female hose to 1.5" clamp
2	4660 Gal Bottom & Top jacket, fully insulated w/ Sample Valve, Manway, Clean Out Door, Racking Valve, Bottom Valve, Thermostat	1	5 HP 20 Gal Air Compressor
	STORAGE TANKS	1	100' Extension Cord
2	5000 Gal non-jacketed with manway and bottom valve	1	Waukesha 130 Positive Displacement Pumps 460V
4	4043 Gal non-jacketed with manway, racking valve, bottom valve; 3 insulated in the middle	1	Milwaukee Drill
1	12,726 Gal non-jacketed with manway and bottom valve. Lays on side	3	Argon Tank Cylinder Dollys
1	5500 Gal non-jacketed (used for water)	1	Argon hose for sparging tanks
2	1900 Gal non-jacketed - not stainless steel	1	15' Dry Ice hose
1	280 Gal non-jacketed with bottom valve	1	Ozone Machine
1	880 Gal non-jacketed with manway, racking valve, bottom valve	4	100' Water hose
5	4726 Gal non-jacketed with sample valve, manway, racking valve, bottom valve	1	Stainless Steel Auger w/hopper - 5HP 480V
1	5868 Gal non-jacketed with sample valve, manway, racking valve, bottom valve	5	50' 4" hoses
4	5860 Gal non-jacketed with sample valve, manway, racking valve, bottom valve	1	25' 4" hose
2	5758 Gal non-jacketed with sample valve, manway, racking valve, bottom valve	1	Hydraulic Pump Over Device
1	1535 Gal non-jacketed insulated with manway, clean out door, racking valve, bottom valve, thermostat	1	Stainless Steel Pump Over Sprinkler
2	18,000 Gal non-jacketed with manway, racking valve, bottom valve	1	Centrifugal Pump
3	55 Gal Stainless Steel Drums	1	Air Pump
4	50 Gal Stainless Steel Variable Capacity (Floating lids)	1	Stainless Steel Sump
20	15 Gal Stainless Steel kegs	1	Tank Cleaner
		1	Alto 1280 Pressure Washer
		1	50' 1.5" hose
		1	200' Air hose
		2	Floor Squeegees
		3	Plastic White Shovels
		17	5 Gal Buckets
		1	6' Ladder
		2	12' 4" hoses
		2	100' Extension Cords for Pump
		3	Greasers
		1	20 Ton Europress Press with Scharfenberger Electronics
		1	Puleo Vega 50 Crusher Destemmer with must pump
		1	Healdsburg Machine Co. Must Pump (needs some repair - back up)
		1	Kiesel Must Pump
		39	1.5" Clamps
		31	1.5" Gaskets
		5	1.5" Elbows
		3	1.5" Tees

Lake County Winery and Tasting Room

Equipment List

Quantity	Description
6	1.5" Valves
4	1.5" Covers
22	2" Clamps
25	2" Gaskets
6	2" Elbows
5	2" Tees
5	2" Valves
4	2" Covers
8	2" to 1" Reducing Cones
2	2.5" Clamps
1	1.5" Sight Glass
3	1.5" Racking Wands
1	100' Clear 1.5" hose
1	Pad & Frame Filter
25	4" Gaskets
20	4" Clamps
1	4" 45 degree Elbow
1	4" 90 degree Elbow
11	3" Gaskets
3	2.5" Gaskets
1	3" Valve
1	Drill w/ stir stick
2	4" to 2" Reducing Cones
3	4" to 3" Reducing Cones
1	3" to 2" Reducing Cone
2	2.5" to 2" Reducing Cones
1	4" to 1" Flat Reducers
2	4" to 2" Flat Reducers
13	4" Covers
4	5 Liter Pitchers
3	3" Clamps
1	2" Sparging tubes
2	Barrel Wands
1	Ball Tank Cleaner
1	Stainless Steel Mixing Paddle
1	Small Stainless Steel Mixer
1	3" Cover
1	1.5" Sample Valve
1	100' 1.5" hose
2	Funnels



Lake County Winery and Tasting Room
Photo Gallery



Lake County Winery and Tasting Room

Photo Gallery



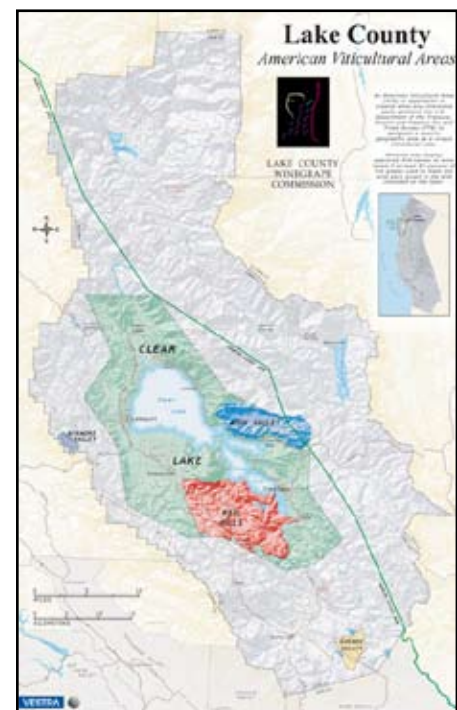


Lake County Winery and Tasting Room

Appellation Overview

Lake County, just north of Napa, has been growing premium wines since the mid 19th century when people first recognized that the varied soils and microclimates of the region would produce wines of exceptional quality. In Lake County, grapes are grown in four distinct appellations – Guenoc Valley, Red Hills, High Valley, and Clear Lake – each with its own distinctive soil type. These include the sandy loam, serpentine soils of Guenoc; the iron red volcanic soils of the Red Hills; the gray-weathered, cinder ash and silt blends of High Valley; and - at the base of dormant volcano Mount Konocti - the alluvial soils of the 'big valley' in the Clear Lake AVA. The common factor in Lake County's diverse terroir is the moderating influence of Clear Lake, the largest natural lake in California, which gives the county its name. Warm days and plummeting nighttime temperatures let grapes ripen at optimum rates for moderate sugars with sufficient acidity. Protected by the low summer humidity of Lake County, botrytis-susceptible grapes adapt well in this environment.

Before prohibition in 1921, Lake County had 28 commercial wineries, making it the largest pre-prohibition grape-producing county in California, but the area was slow in recovering as vineyards had been torn out and replaced by pear and walnut orchards. From less than 100 acres in 1965, Lake County vineyard acreage has grown to over 8,800 today and is becoming one of the wine industries fastest growing regions. Sauvignon Blanc, one of the major wines to distinguish itself during the recovery, is now being supplanted by the new generations of big reds. Cabernet Sauvignon has by far the most acreage, with Merlot a distant second. However, despite being third in total revenue (according to the 2004 Lake County Winegrape Tonnage and Pricing report), Petite Sirah is considered amongst the best in its class.



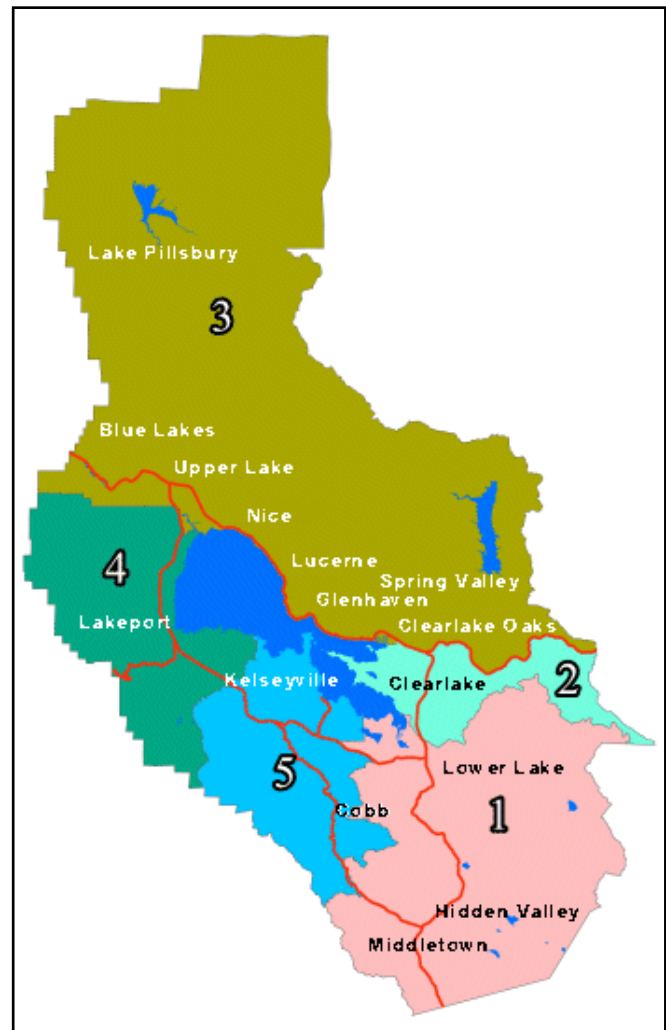


Lake County Winery and Tasting Room

County Overview

Welcome to Lake County, where you'll find beautiful rural scenery, friendly communities, attractions, outdoor recreation and activities offered year around. With its beauty, clean air and affordability, Lake County is not only a great vacation destination, but it has become the choice of thousands as a place to relocate to. Clear Lake attracts a substantial number of transplanted urban commuters, especially families, seeking affordable housing and a country lifestyle.

Due to its lakeside recreational activities, Clear Lake also draws a sizable vacation and weekend population, many of whom eventually pull up stakes to make it their full-time home. For ten straight years Lake County has had the "cleanest air" in the state. If you are a golfer, there are five courses, including one Championship 18 hole course close by, in Middletown. One of the most popular activities around these days has become wine tasting. You cannot enter this beautiful county without noticing the presence of attractive, well-maintained vineyards. Whether you are looking for a place to vacation, or just a place to get away for the day, remember we are just a couple hours away from both the Bay Area and Sacramento. If you are looking for a lifestyle change and want a more relaxed, rural lifestyle in a pristine area surrounded by natural beauty, if you want to live and raise your family in an area devoted to an elevated quality of life, consider Lake County.





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