

WILDHURST WINERY



OFFERING MEMORANDUM

PRESENTED AT : \$3,500,000

ASSEMBLED BY : TOM LARSON & TONY FORD



N O R C A L V I N E Y A R D S . C O M

“Specializing in Sales and Acquisitions of Vineyards, Wineries and Fine Estates.”

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WILDHURST WINERY

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Wildhurst Winery *Property Overview*

Wildhurst. The name evokes the spreading California native oaks that dot the vineyard acreage, and the zest for nature and simple living that characterize the lovely rural area of Lake County. In this spirit, Wildhurst makes direct, hand-crafted wines from a winemaker's passion and a farmer's love of his land.

Wildhurst Winery was started in 1991 in Kelseyville, California, by Myron and Marilyn Holdenried with their personal friends, the Collins brothers. The Holdenrieds operate the day to day business. Wines are made from grapes grown by the Holdenrieds. Grapes are also purchased from other growers for certain varieties. About 80 percent of the Wildhurst Brand wines are made from Holdenried Grapes.

Wildhurst Winery formed an alliance with Briarcliff Marketing of San Francisco in 2004. Briarcliff bought the label for Chardonnay, Cabernet Sauvignon, Merlot, Syrah, and Sauvignon Blanc wines subject to certain production parameters. The company bought the inventory at that time and do the wholesale statewide and national marketing for those wines.

In March, 2009, Briarcliff sold the Wildhurst Brand and Inventory to Sapphire Wines ending the direct relationship. Since that time, Wildhurst has been custom bottling their wines for private labels, building a large amount of business. This work has amounted to 36,000 cases to date in 2010.

Wildhurst winery, as part of that the original Briarcliff contract, is licensed to sell those Wildhurst wines varieties in their Tasting Room.

Wildhurst also produces wines under the Plunkett Creek Brand and Mackinaw Brand. These wines are not connected with the original Briarcliff contract. Production is sold through the Tasting Room.



Wildhurst Winery *Winery Specs*

Winery capacity:

*200,000 gallons of stainless tanks

*2000 barrels

* Permit in process for 65,000 case annual production, estimated permit date of 4/1/12 (owner must construct waste water ponds per the conditions of the permit)

Retail Business--Tasting Room

The Tasting Room and gift shop is located in a leased building owned by Kelseyville Lumber Co. in downtown Kelseyville. The building was originally the IOOF Hall, constructed in 1926. The business grosses \$500,000+/- per year selling 5,000 cases of wine and merchandise nationwide. Wildhurst has 800 member Wine Club with planned activities. Wildhurst also has a Website and quarterly newsletter.

Besides the Wildhurst Label, the Mackinaw Label and Plunkett Creek Series trademarked wines are sold exclusively through the Tasting Room



Wildhurst Winery *Sales Points*

Wildhurst Winery Sales Points

I. Price: \$3,500,000 (includes business, brands and real estate)

Sales Breakdown:

Wildhurst Winery	\$2,000,000
*Includes all Brands, Tanks. Inventory. Equipment. Retail Business, Member Wine Club, etc.	
16 Acre Parcel:	\$1,500,000
Includes all Buildings and improvements.	
Total Price:	\$3,500,000

- Large production powerhouse facility on the North Coast (Lake County) on 16 acres
- Off site tasting room
- Inventory available (approx \$400,000 in inventory to be negotiated separately)
- 37,000+ square feet under roof
- Multiple brands included – good quality, value wines
- EBITDA 2010 YTD of \$400,000+/-
- Equipment included (racks, presses, 180,000 gallons of stainless steel tanks, 2000 barrels)
- Turn key facility targeting the sweet spot of wine sales
- Opportunity is available as managing partner is retiring

II. 16 Acre Parcel and Buildings (real property only)

- *Appraised for \$2,500,000. March. 2007
- *Winery Building: 8000 square Feet
- *Storage Building: 12,800 Square Feet
- *Shed. Offices: 11,000 square feet
- *Lab. rest rooms, conference Room, upstairs office, downstairs office.

Presently, wastewater is dispensed with a leach line waste system. Permit has been approved by Lake County for a large Winery. A Pond system is still waiting for final approval from the California State Water Resources Board. Ponds are sized for 100,000 case production in a 100 year flood. Rain is the primacy storage issue. Final State Approval is expected in early 2011.

- *200,000 gallons of stainless capacity
- *2000 barrels



Wildhurst Winery

Visit Wildhurst

Located two hours north of San Francisco on Main Street in the pioneer town of Kelseyville, our tasting room preserves the character of the grand old Odd Fellows Hall, including the original birch flooring. Inside we sell premium Wildhurst wines, local merchandise for home entertaining, and gourmet foods.

Lean against our tasting bar and sample our wines, browse among the unique gifts, wine accessories and logo wear or just gab with our friendly and knowledgeable personnel, then take a stroll through the charming shops on Main Street.

Whatever brings you to Lake County - stop in and see us at Wildhurst!

Tasting room hours are 10 am - 5 pm daily with the exception of Easter, Thanksgiving and Christmas.

Location:

Wildhurst Vineyards

3855 Main Street

Kelseyville, CA 95451

(707) 279-4302

Red Wines

- Reserve Cabernet Sauvignon 2008
2011 San Francisco Chronicle Wine Competition - Silver
2011 Riverside International Wine Competition - Silver
2011 Jerry Mead New World International Wine Competition - Silver
2011 Orange County Wine Competition - Silver
2011 California State Fair Wine Competition - Silver
2011 North of the Gate Wine Competition - Silver
- Reserve Zinfandel 2008
2011 San Francisco Chronicle Wine Competition - Silver

White Wines

- Reserve Sauvignon Blanc 2010
2011 Riverside International Wine Competition - 4 Star Gold
2011 Pacific Rim Wine Competition - Gold
2011 North of the Gate Wine Competition - Gold

Mackinaw Series

- Mackinaw Sauvignon Blanc 2009 Lake County
2010 West Coast Wine Competition - Bronze

Wildhurst Winery
Maps





Wildhurst Winery *Appellation Overview*

The Soil

Napa vineyards attribute their quality to the volcanic soils laid down by Mt. St. Helena. The mineral content, durability and high porosity of igneous rock combine to create an ideal environment for the growing of wine grapes, and the alluvial topsoil is just thin enough, yet packed with nutrients, to produce intensely flavored fruit. Lake County shares this unique soil profile with its famous neighbor, the Napa Valley, as the two regions owe their soil base to the same volcanic activity.

The Altitude

Lake County's ideal climate and altitude support sustainable winegrape production, giving growers here a leg up. Not only is winegrape quality excellent, few pests can tolerate the climate. Winegrapes are grown from lake level (1370 feet) up to about 2600 feet. This elevation provides cooler winter conditions and later growing season start than in other California grape-growing regions. Summer growing conditions are suitably warm ripen the varieties Lake County is famous for, Cabernet Sauvignon and Sauvignon Blanc. Proud of their environment, most growers will mention that Lake County has the cleanest air in the state and that the elevation allows rapid cooling in the evening.





Wildhurst Winery *County Overview*

The Region

Lake County, north of the Napa Valley and east of Mendocino County, was one of California's most highly acclaimed growing areas before the ax of Prohibition fell. The earliest vineyards were planted after the Civil War, and by the turn of the century Lake County boasted thirty-six wineries and over 7,000 acres of vineyard.

In the early 1900s, wines from Lake County were perennial award winners in prestigious international competitions, earning the area world-class standing that has only recently begun to be reclaimed. There are several factors key to this success:

The Lake

The largest natural body of fresh water in the state of California, Clear Lake exerts a moderating influence on the temperature and humidity of surrounding vineyards. Moist air moves up the hillsides with the warmth of day and back down into the lakeside valleys at night, keeping the climate stabilized. This gives Lake County fruit all the benefits of the "coastal" influence, without the colder temperatures and excessive moisture that occur nearer the Pacific Ocean.

The Growers

Most of the growers in Lake County count their acres in dozens, not hundreds. These are farmers who know their vineyards block by block, and most have been farming this area for generations. The relative youth of the vineyard business here also means Lake County is planted almost entirely to premium varietals, by experienced professionals, taking every advantage of the very latest in technology and research.





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