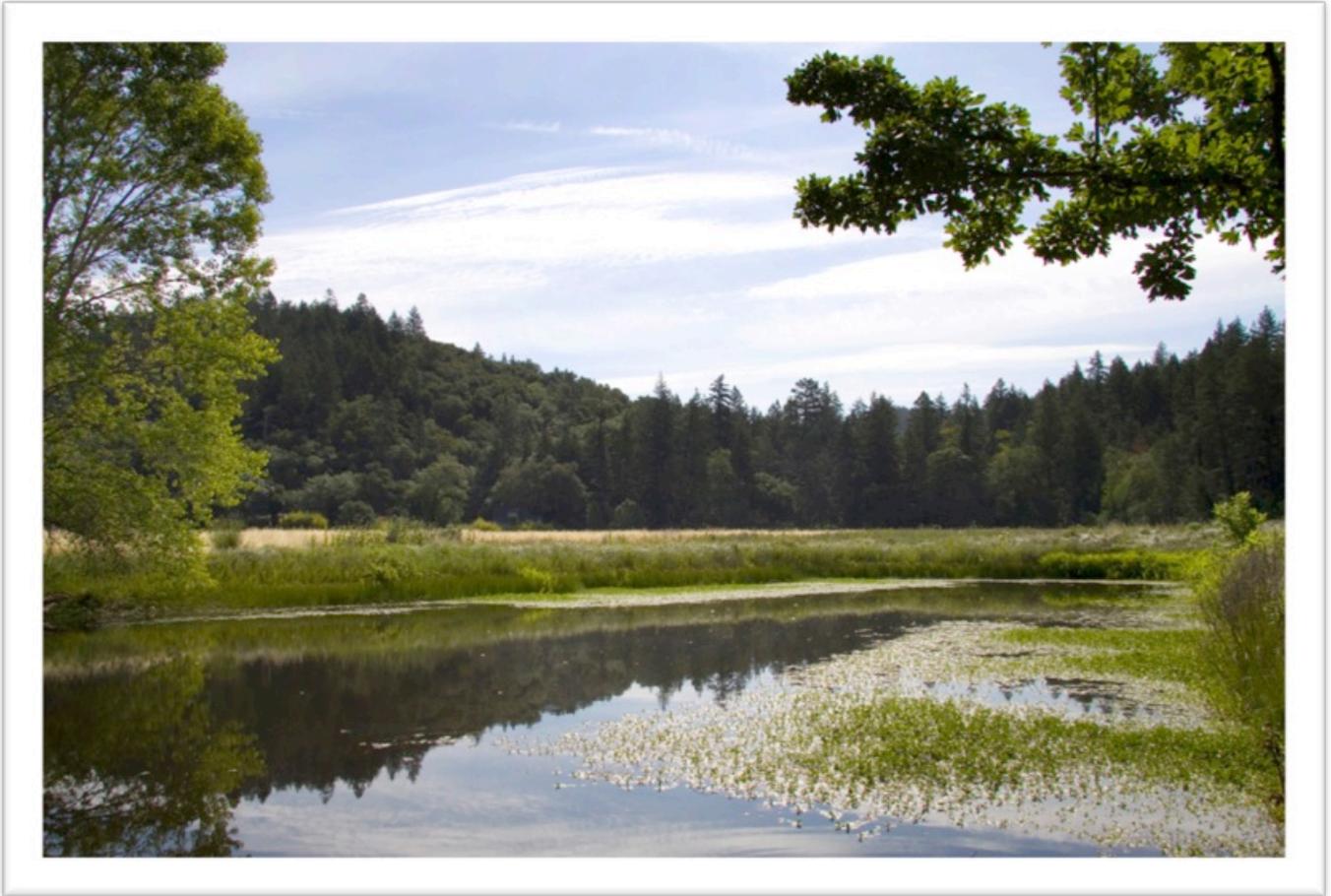


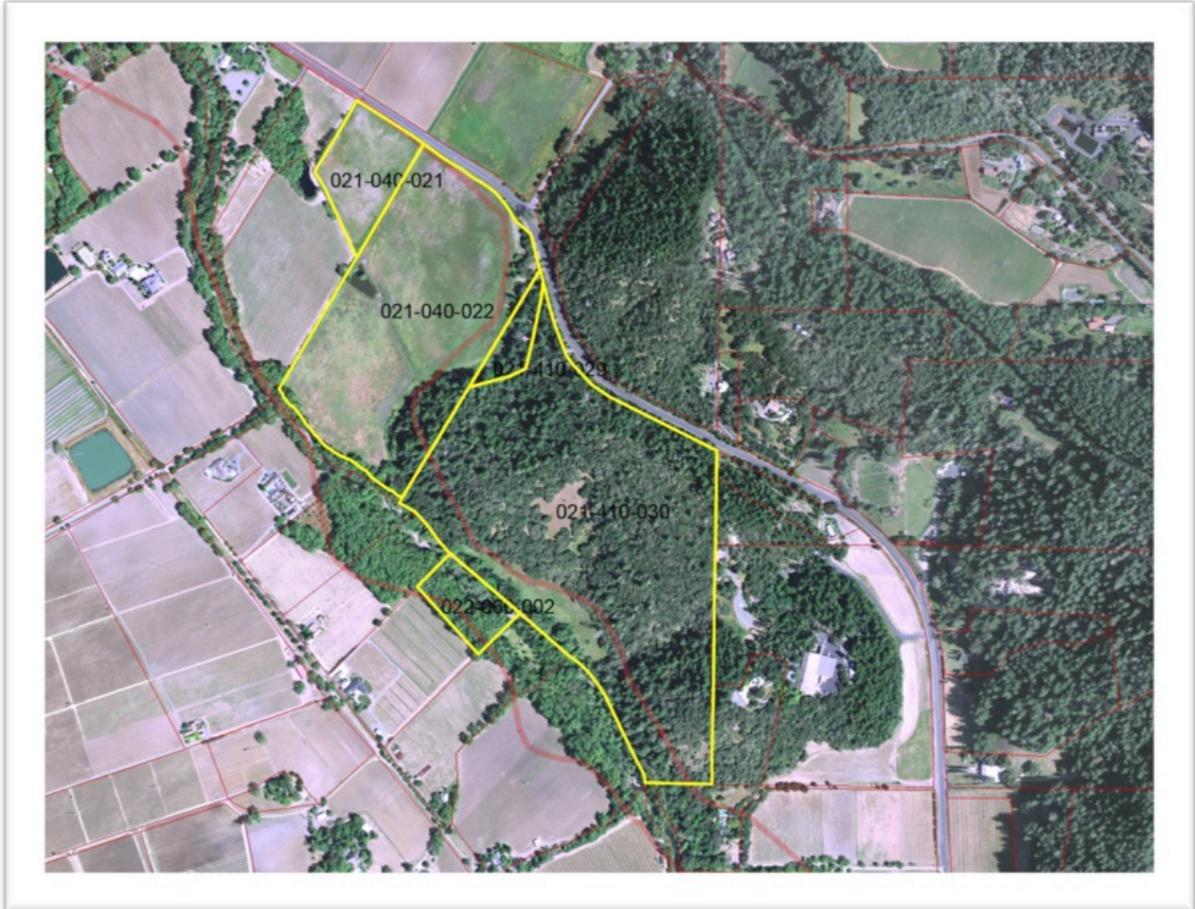
CAIRNS RANCH



OFFERING MEMORANDUM
MAY, 2013

WWW.CAIRNSRANCHNAPAVALLEY.COM

CAIRNS RANCH OFFERING SUMMARY



OFFERED AT \$11,500,000

Available for the first time in 100+ years, this rare offering provides a wealth of opportunities for winery, vineyard and estate home site development. Five legal parcels on 105.6 +/- total acres with prime Silverado Trail frontage offer winery potential, 34.6 +/- flat plantable acres, a knoll top building location with impressive valley and mountain views and interesting lot line adjustment possibilities.

Winery and Vineyard Potential
5 Legal Parcels
Total Acreage: 105.6± Acres
Prime Silverado Trail Frontage
Estimated Plantable Acreage: 34.6 +/- Acres
Hilltop Estate Home Building Site
Napa River Frontage
Impressive Valley and Mountain Views

WWW.CAIRNSRANCHNAPAVALLEY.COM

CAIRNS RANCH PROPERTY FEATURES

Address: 3683 Silverado Trail, St. Helena, CA

County: Napa

Total Acreage: 105.6 +/- Acres

Plantable Acreage: 34.6 +/- Acres Estimated

APNs:

- 021-040-021: 6.6 +/- Acres
- 021-040-022: 31.96 +/- Acres
- 021-410-029: 2.24 +/- Acres
- 021-410-030: 61.44 +/- Acres
- 022-060-002: 3.33 +/- Acres

Zoning: AP (Agricultural Preserve)

Appellation: St. Helena AVA

Soils:

- Bale Clay Loam
- Cole Silt Loam
- Yolo Loam
- Riverwash

Structures: Two older farm houses

Infrastructure

- Electric: PG&E
- Well: Hand dug well
- Reservoir: Fed by rain water and surface flows

CAIRNS RANCH PROPERTY DISCUSSION

PARCELS AND ZONING

In 2012 Certificates of Compliance were issued by Napa County for the five parcels. A revised parcel map was created at that time. One parcel (3.3 acres) is located across the Napa River from the four on the Silverado Trail. It lies entirely in the 100-year Flood Way, will remain undeveloped, and is leased to an adjacent landowner.

All parcels are zoned "AP", Agricultural Preserve. This classification allows one single family unit per parcel, plus one guest cottage. A winery is an approved use on AP parcels 10 acres or greater, with the appropriate permitting. Minimum sub-division size for the AP is 40 acres. The four parcels smaller than 40 acres pre-existed this regulation and were confirmed as legal with the 2012 Certificates of Compliance. Lot line adjusting between the four adjacent parcels east of the river should be possible. The attached Potential Lot Line Configuration Map suggests one concept.

VINEYARD LANDS

Soils

An NRCS soils analysis indicates the following soil types in the flat, former vineyard fields on the north end of the property. See attached NRCS Soils Map.

- | | |
|----------------------------------|-------------------|
| • Bale Clay Loam, 0 to 2% slopes | 5.1 acres |
| • Cole Silt Loam, 0 to 2% slopes | 19.5 acres |
| • Riverwash | 4.6 acres |
| • Yolo Loam, 0 to 2% slopes | <u>10.7 acres</u> |
| • Total | 39.9 acres |

Plantable Acres

The NRCS analysis indicates 39.9 acres of vineyard plantable soil types. This includes the existing reservoir site. The listing brokers' plotting of the plantable acres totals 34.6 acres as shown on the attached Estimated Vineyard Plantable Acreage map. This plotting excludes the reservoir area and incorporates a potential river setback buffer zone. Neither of these analyses includes the 3.3 acre parcel.

Permitting

The vineyard lands maximum slope is 2%, per their NRCS soils designations. A vineyard development plan will not need to go through Napa County's Erosion Control Permitting process, which is a requirement for all lands with a 5% or greater slope. Vineyard development of any of the hillside areas will require an approved Erosion Control Plan with Napa County.

STRUCTURAL IMPROVEMENTS

There are two older farmhouses on the property. One has been vacant for a number of years. The second is actively utilized as a rental unit. The flat unplanted vineyard land area was the site of a vineyard until its removal in 2007 for eventual redevelopment. It has been ripped in three directions and soil amended in anticipation of replanting.

WATER

An older, hand-dug well is currently utilized for the existing residences. Any new residential, vineyard or winery development will require drilling a higher volume well. The owners of this property completed a well on an adjacent property, to the east across Silverado Trail, in May 2013. The driller reported 200 gallons per minute volume.

There is a reservoir on the north edge of the vineyard plantable area, fed by rainfall and off-stream surface flows. It can be used for agricultural water storage. An October 2011 letter from the State Water Resources Control Board verified it is “not subject to the permitting authority of the State Water Board”.

FLOOD ZONES

The lower elevation areas of the property fall within FEMA flood zones, per their FIRM maps. The 100-year Flood Way and 100-year Flood Plain impact the property. Building construction in these areas is greatly restricted. See the attached Flood Map for designations of the 100-year Flood Plain and 100-year Flood Way.

WINERY SITING

Napa County’s Winery Ordinance regulations include a 600 feet setback from the Silverado Trail. The approximate location of this line is shown on the attached Flood Map. The purple shaded area on the Winery Site Area map approximates the area where a winery could be sited, when the flood way and Silverado Trail setback areas are eliminated as options.

CAIRNS RANCH MAPS AND EXHIBITS

Current Parcel Configuration

Potential Lot Line Reconfiguration

Estimated Vineyard Plantable Acreage

NRCS Soils Map

Neighboring Vineyards and Wineries

Flood Map

Winery Site Area Map

2013 Trends in Agricultural Land and Lease Values

Parcel Maps

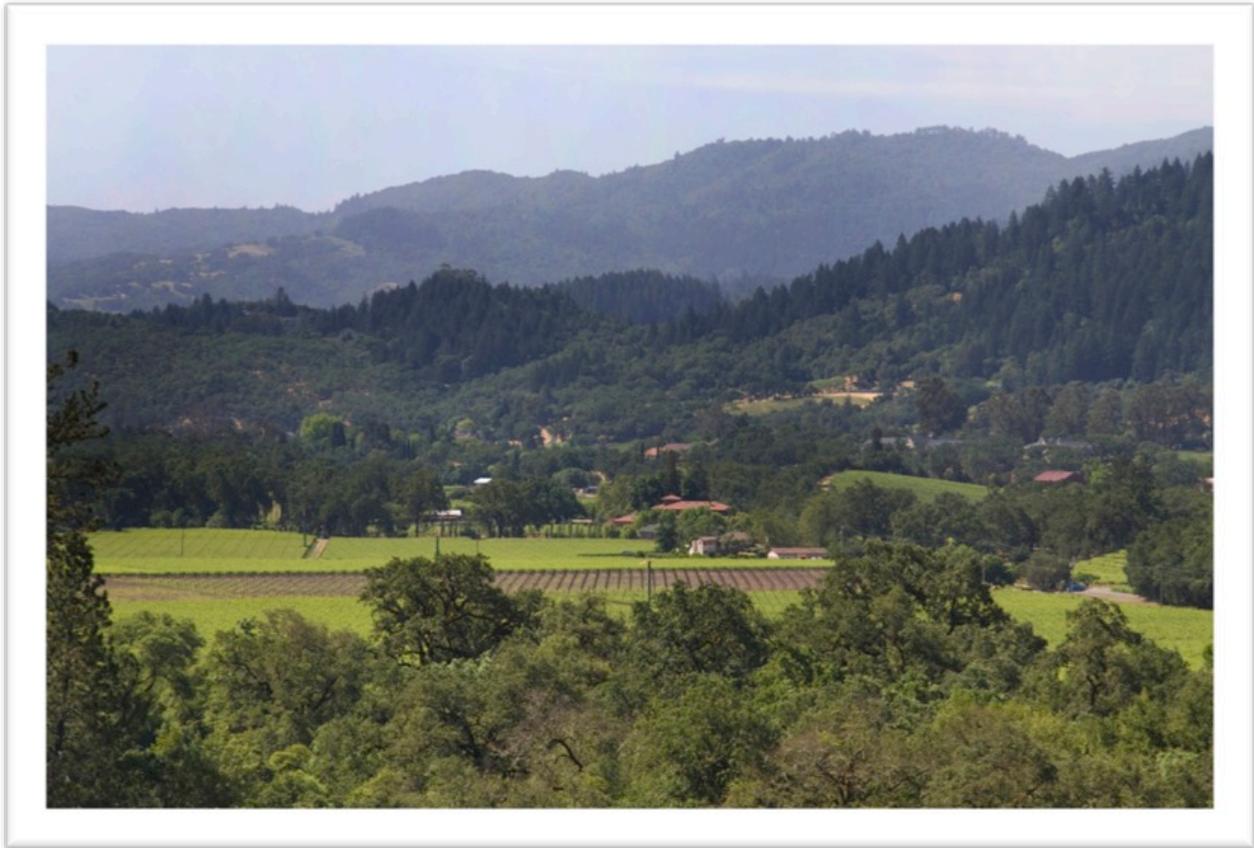
All information contain herein was supplied by a variety of sources. Brokers have not verified or investigated the accuracy of the information. Borders and measurements indicated in the maps are estimates. Buyers should investigate and verify these issues to their own satisfaction as part of their due diligence.

CAIRNS RANCH AVAILABLE UPON REQUEST

Preliminary Title Report

Crop Care Vineyard Feasibility Report

Crop Care Slope and Aspect Analysis



View From Estate Building Site

CAIRNS RANCH EXCLUSIVE REPRESENTATION

Richard Brockmeyer
Broker
2060 Big Ranch Road
Napa, CA 94558
Direct: 707-226-8252
Mobile: 707-479-5406
winepro@pacbell.net
DRE: #00640938
www.vineyardwinepro.com



Cyd Greer
Broker Associate
Coldwell Banker Brokers of the Valley
1289 Main Street
St. Helena, CA 94574
Direct: 707-967-4641
Mobile: 707-322-6825
DRE#01390876
www.cydgreer.com



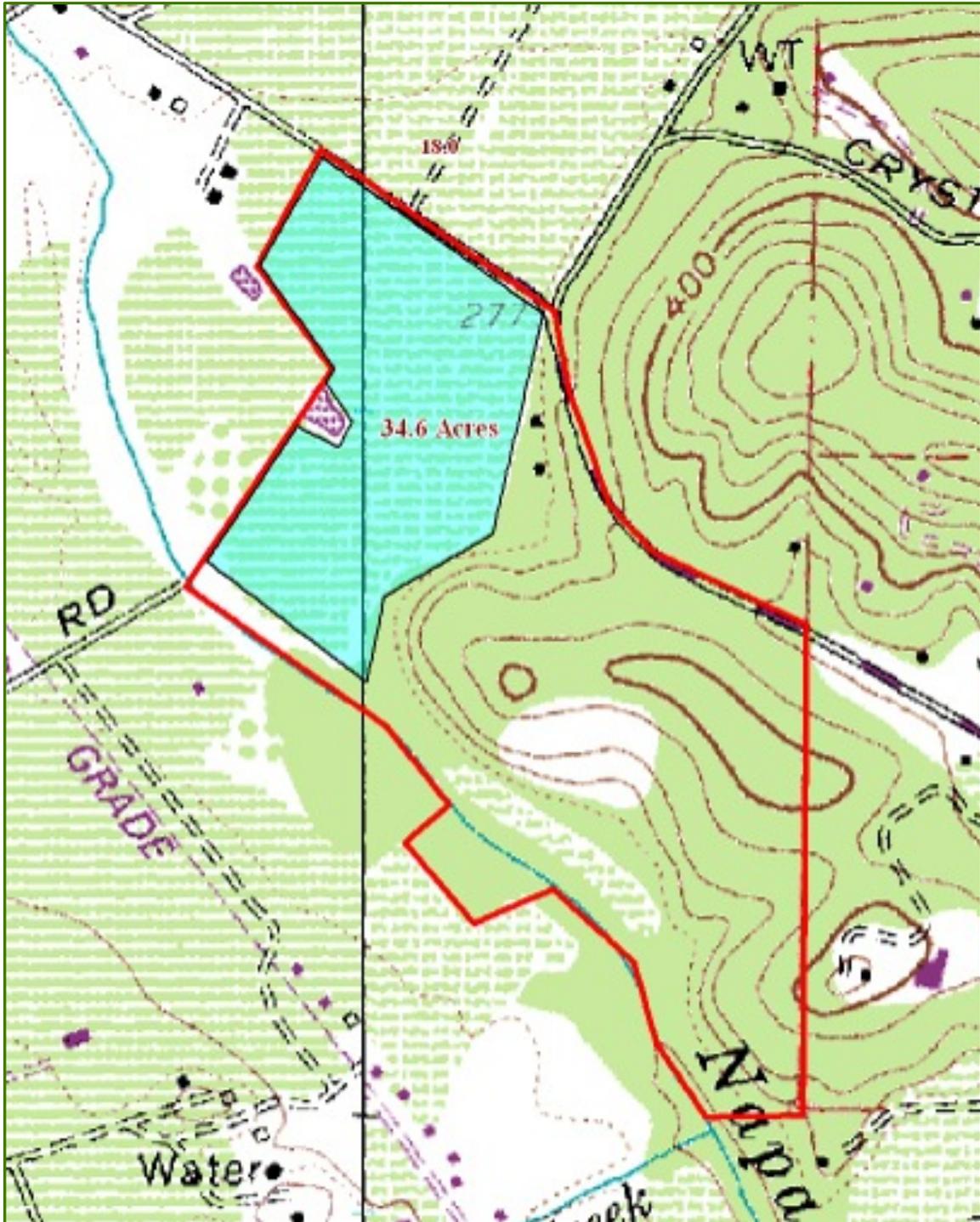
CAIRNS RANCH CURRENT PARCEL CONFIGURATION



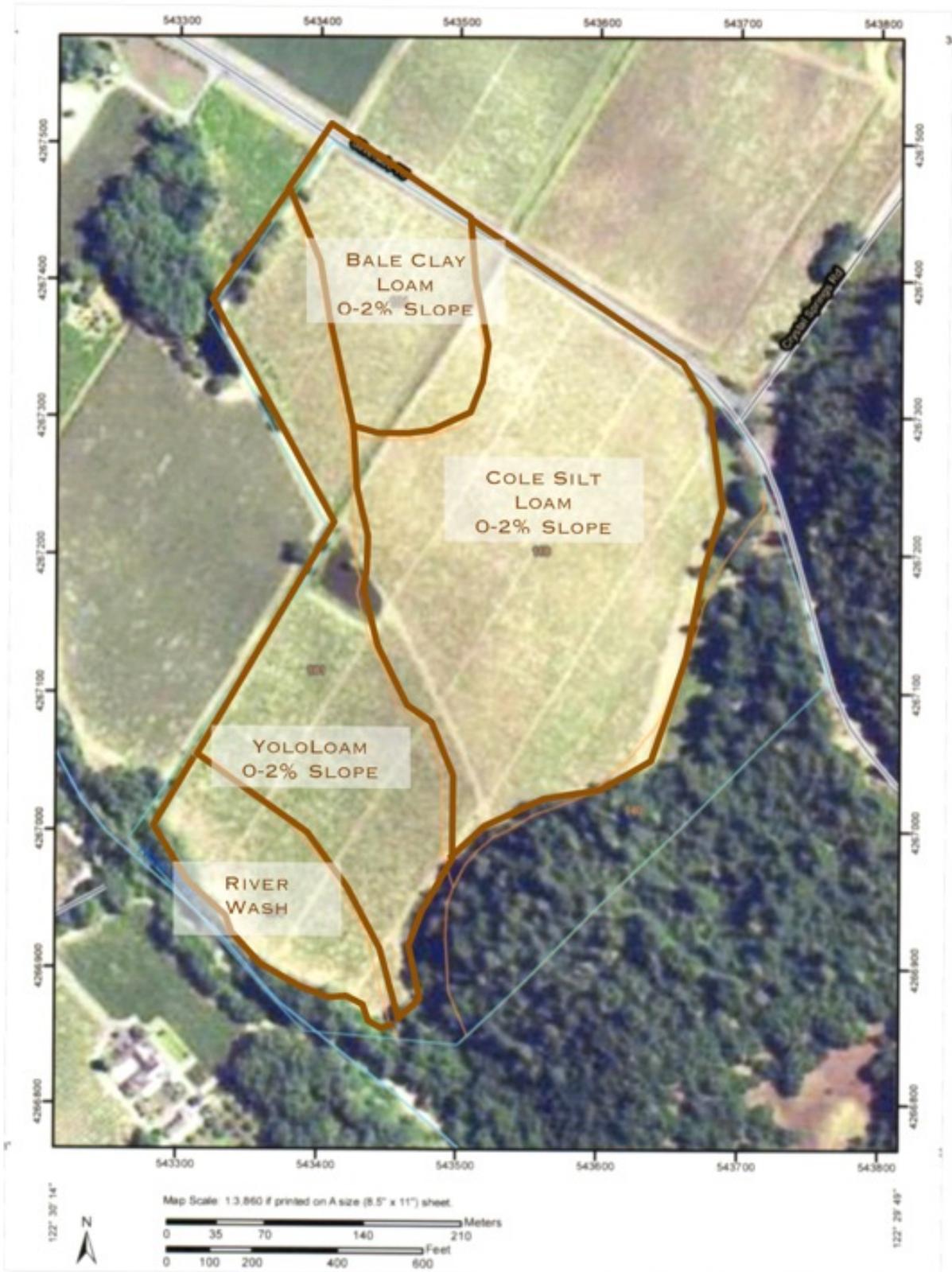
CAIRNS RANCH POTENTIAL LOT LINE RECONFIGURATION



CAIRNS RANCH ESTIMATED VINEYARD PLANTABLE ACREAGE



CAIRNS RANCH NRCS SOILS MAP

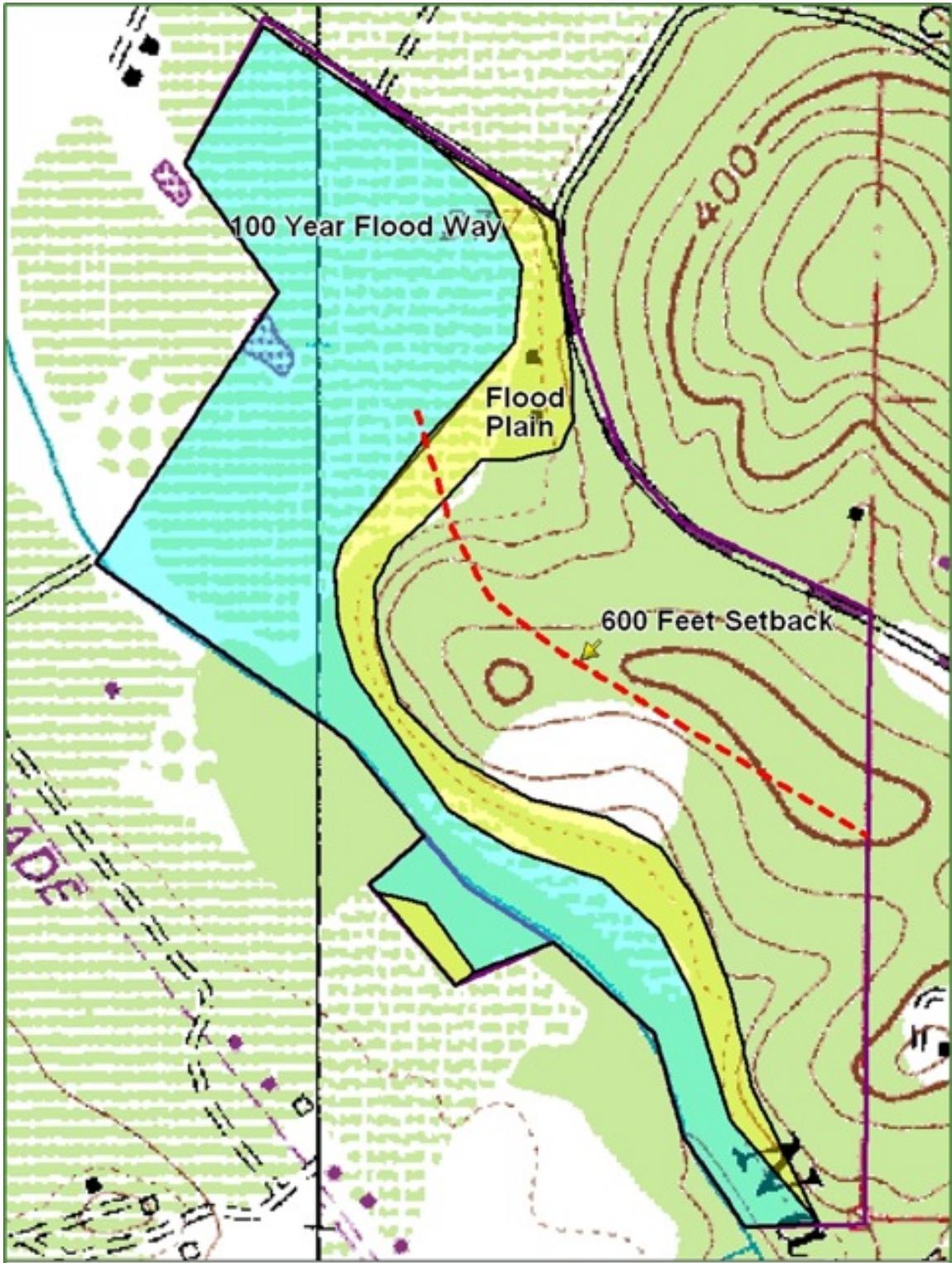


CAIRNS RANCH

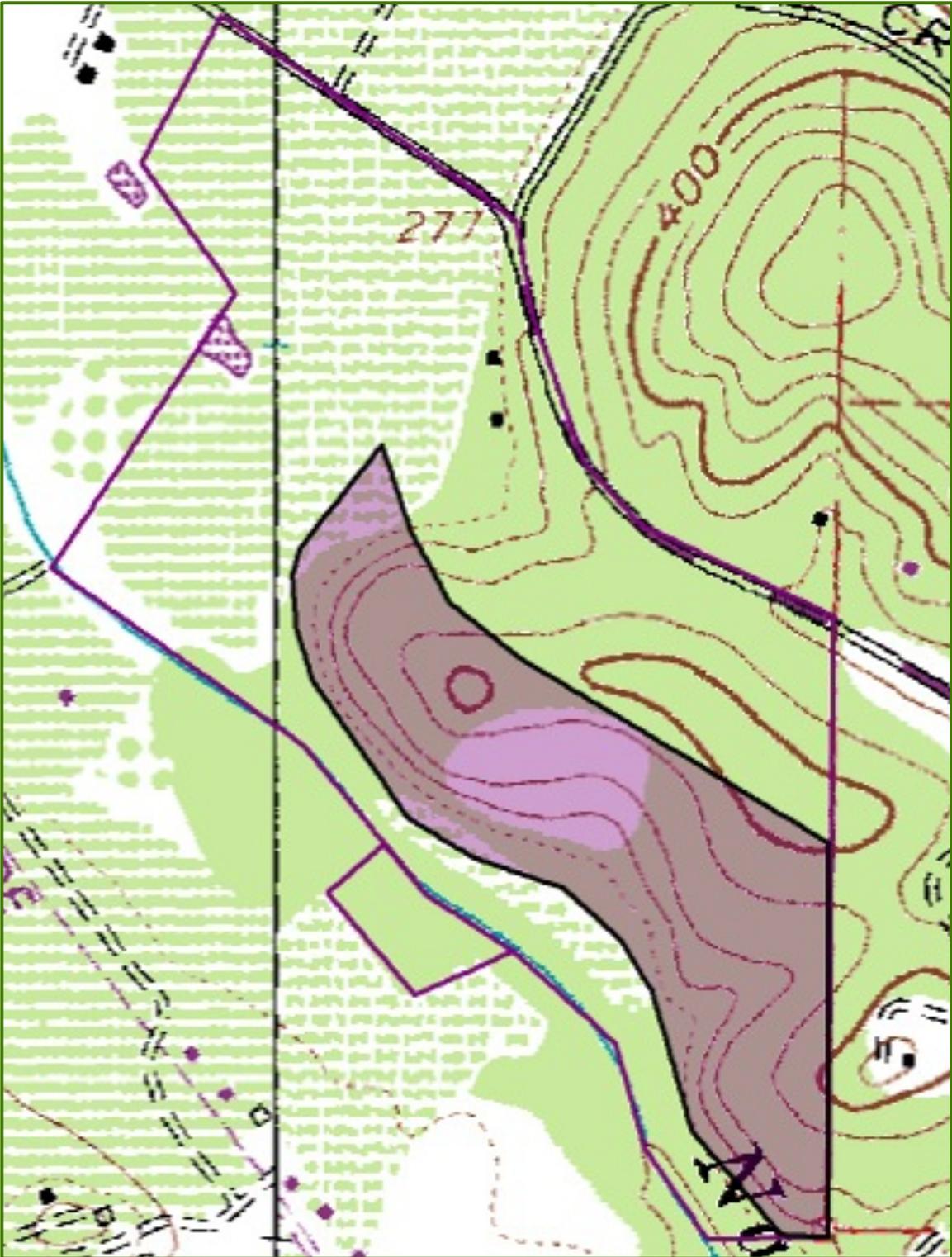
NEIGHBORING VINEYARDS AND WINERIES



CAIRNS RANCH FLOOD MAP



CAIRNS RANCH WINERY SITE AREA



TRENDS 2013

LAND USE	VALUES PER ACRE	ACTIVITY / TREND
NAPA		
Vineyards - Prime Napa Valley	\$200,000 - >\$300,000	Strong/Increasing
Vineyards - Secondary Napa Valley	\$100,000 - >\$200,000	Increasing/Stable
Vineyards - Outlying Napa County	\$50,000 - >\$100,000	Limited/Increasing
Plantable - Prime Napa Valley	\$100,000 - >\$165,000	Strong/Increasing
Plantable - Secondary Napa Valley	\$50,000 - \$100,000	Increasing/Stable
Plantable - Outlying Napa County	\$25,000 - \$50,000	Limited/Increasing
Homesite - Prime Napa Valley	\$1,000,000 - >\$5,000,000	Strong/Increasing
Homesite - Secondary Napa Valley	\$250,000 - >\$1,000,000	Increasing/Stable
Homesite - Outlying Napa County	\$0 - >\$350,000	Limite/Stable

Napa is a diverse market with vineyards ranging from \$50,000 to over \$300,000 per acre. Values are heavily influenced by location, but more importantly by the terroir, which drives the variety potential and fruit quality of a specific site or location. Considering both location and terroir, we see vineyard values generally falling into three distinct categories. We have chosen to identify these as Prime, Secondary, and Outlying, realizing that the stated value ranges are simply guidelines and those values overlap between the noted locations and/or categories:

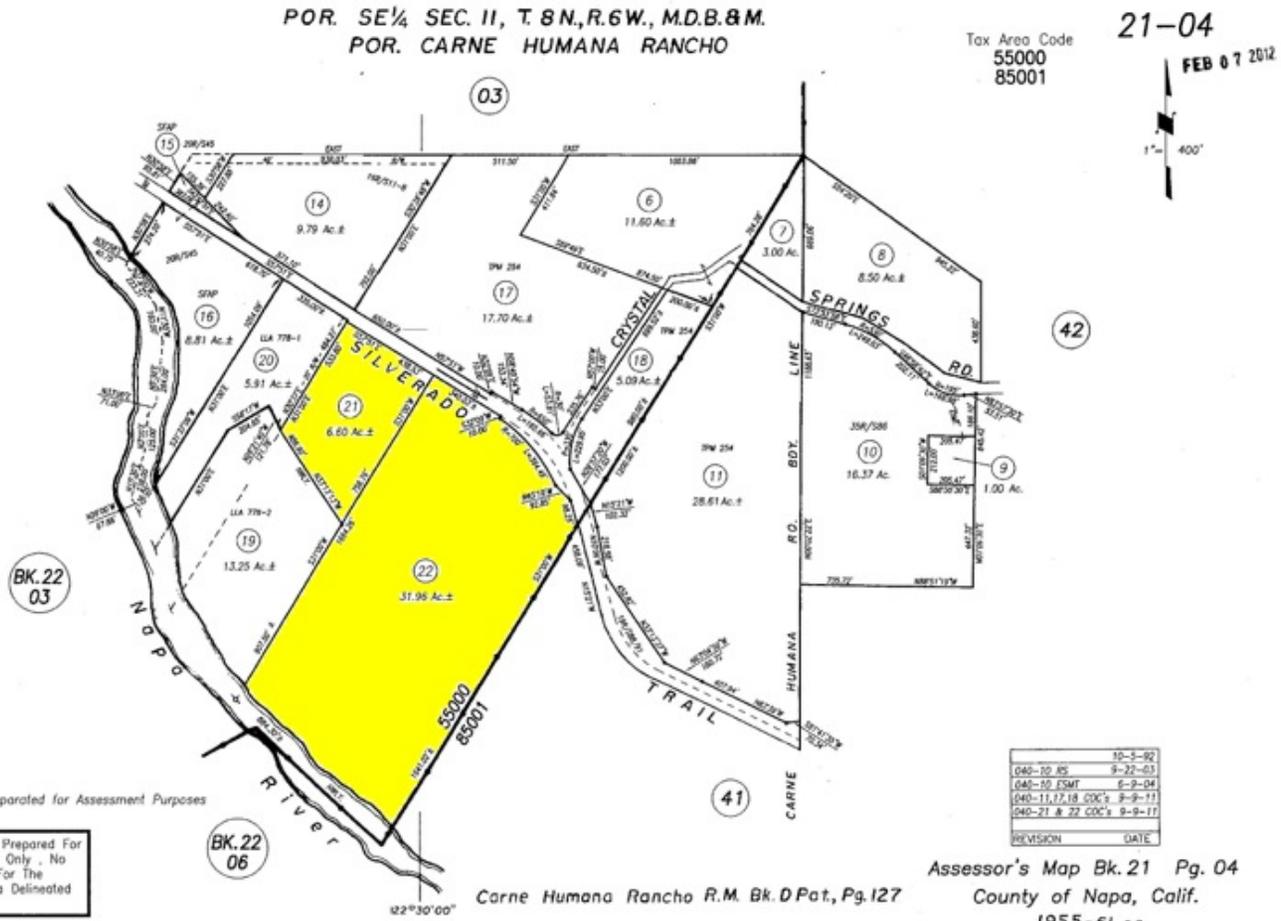
PRIME NAPA VALLEY includes the heart of the Napa Valley (St. Helena, Rutherford, and Oakville) and the surrounding hillsides (Pritchard Hill, Howell Mountain, Stags Leap, and Spring Mountain). Terroir allowing the production of premium Cabernet Sauvignon, which is the Hallmark of the Napa wine industry, drives this category. Sites not suitable for premium Cabernet production generally fall into the Secondary value category. Additionally, there are properties outside this geographic region, capable of premium Cabernet production that command Prime area values. This category has experienced stable growth and demand over the past 30 years. 2012 market activity was good with a number of vineyard, winery, and trophy estate sales. 2013 should be strong, as there are a number of industry, foreign, and lifestyle buyers with deep pockets actively looking for properties in this region or category.

TRENDS IN AGRICULTURAL LAND AND LEASE VALUES

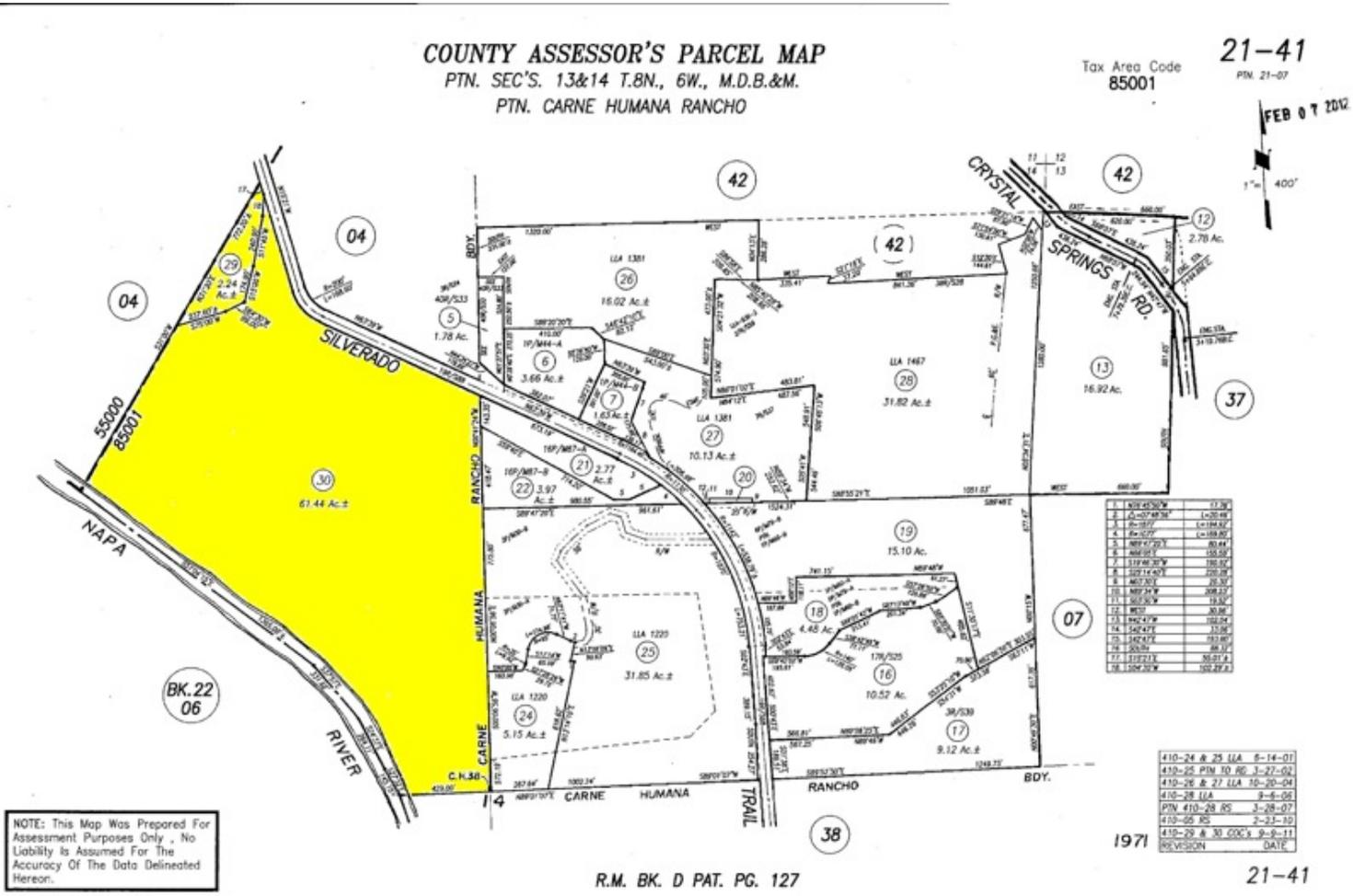
CALIFORNIA and NEVADA

Presented by the **California Chapter**
American Society of Farm Managers and Rural Appraisers

CAIRNS RANCH PARCEL MAP O21-040-021 AND O21-040-022



CAIRNS RANCH PARCEL MAP O21-410-029 AND O21-410-030



CAIRNS RANCH PARCEL MAP O22-060-002

