

ENGEL&VÖLKERS[®]



Offering Memorandum

LA ROCHELLE WINERY & HOLDINGS

Presented by Billa Donaldson & Stefan Jezycki

LA ROCHELLE

CONFIDENTIALITY AGREEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of LaRochele Winery & holdings. This Memorandum was prepared based on information supplied by Seller and Broker. It contains selected information about the Property and the real estate market, but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other Confidential Information) are for general reference only. The projections are based on assumptions relating to the general economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or legal analysis of such documents.

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this

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If applicable, cooperation does not include brokers that represent themselves as Principals or broker's whose member of his immediate family is participating in the purchase of the property. No broker will be recognized on a prospect that has previously contacted or been contacted by the Seller or the Seller's representatives.

PROPERTY INFORMATION

This property is listed separately to the AWOC LLC Business. It may be available in a separate negotiation with the owner.

Contents

01

ARTISAN WINES

02

VINEYARD PARTNERSHIPS

03

BUSINESS STRATEGY

04

PROPERTY INFORMATION

01

ARTISAN WINES

LA ROCHELLE

DESCRIPTION OF ASSETS FOR SALE

Artisan Wines of California LLC is a partnership between Charles Easley and Kenwood Canyon LLC minority interest. Artisan Wines is truly a unique entity in the wine industry. We believe uniqueness, when tied to a singular focus, is the path to growth, profitability, and long-term sustainability through customer loyalty. Our incredible team is dedicated to creating the Bon Vivant Lifestyle for our members and guests. We lead people and help them live “the good life” by including Food, Wine, Camaraderie, and the spirit of giving. Our products and everything we do helps reinforce our vision. This singular focus and the complete buy-in from our team has created a truly unique experience for our loyal followers. Even through the bumps in the road over the past few years, between multiple fires and Covid, we have continued to grow in spite of the impact of the most devastating disasters to ever hit our industry. We understand and operate under the most fundamental rule of sales. People buy when value outweighs cost. Our communications are aligned to help people understand how to value wines. As they gain an understanding of our wines, La Rochelle wines become their benchmark for ultra-premium wines.

PROPERTY INFORMATION (SEE SECTION 4)

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MULTIPLE ESTABLISHED WINE BRANDS

- ♦ La Rochelle Wines
- ♦ La Vie – Sparkling Wine
- ♦ Po-lyph-o-ny

ESTABLISHED WINE CLUB MEMBERSHIP

- ♦ 1,000 Members
- ♦ Average Revenue - \$500 per member
- ♦ Average retention – 50+ months
- ♦ Estimated Value per member \$750/member
- ♦ Total Value - \$750,000

BRAND EQUITY / GOODWILL – ESTIMATED VALUE \$350,000

LA ROCHELLE

DESCRIPTION OF ASSETS FOR SALE

INVENTORY

La Rochelle is positioned to sell complex and age-worthy wines. Therefore, our bottled and bulk inventory is higher than most wineries. It is usually equivalent to 4 - 5 years of inventory. With the smoke damage in 2020, our inventory is lower than normal but a tremendous asset because we will not have a gap in sales due to a shortage of wine.

Bottled Inventory – 5850 Cases

\$3,058,516 - Value @ FOB (Fire Sale Prices)

\$4,578,773 - Value @ Retail (Includes Member discount pricing)

Bulk Inventory – 6100 Gallons (FOB and Retail calculated after finishing costs)

\$3,169,800- Value @ FOB

\$2,133,764 - Value @ Retail (Includes Member discount pricing)

Total Inventory Asset

\$6,228,316 - Value @ FOB

\$9,012,476 - Value @ Retail (Includes Member discount pricing)

Valuation of Inventory (Average of Cost and 50% of FOB)

\$2,350,000

LA ROCHELLE

DESCRIPTION OF ASSETS FOR SALE

Winemaking Equipment * Detailed list upon request

Estimated Value - \$75,000

Fermenters – 4 x 4 Wooden boxes lined with food grade plastic – 24

SS Tanks

2 x 250 Gal.

1 x 350 Gal.

1 x 450 Gal.

Pneumatic Pump -1

120 – French Oak Barrels – Various ages – 20% New Vintage

60 Barrel racks

1999 Ford F350 Pickup Truck

pH meter – various lab equipment

Various hoses & clamps

Winery - Hospitality *Detailed list upon request

Estimated Value - \$25,000

3 Apple Computers

Furnishings for Tasting Room – Hospitality Grounds

2 Wine refrigerators

1 Bottle Chiller

Office furnishings

02

VINEYARD PARTNERSHIPS

LA ROCHELLE

VINEYARD PARTNERSHIPS

Our greatest strength is our partnership with the best Vineyards in California for Pinot Noir & Chardonnay.

They include:

- Tondre Grapefield – Santa Lucia Highlands
- Gary's Vineyard – Santa Lucia Highlands
- Rosellas Vineyard – Santa Lucia Highlands (Some Vintages)
- Soberanes Vineyard – Santa Lucia Highlands (Some Vintages)
- Lester Family Vineyard -Santa Cruz Mountains
- Van Der Kamp Vineyard – Sonoma Mountain
- Black Knight Vineyard – Bennett Valley
- Freestone Hill Vineyard – Russian River/Freestone Occidental
- El Coro Vineyard – Petaluma Gap
- Bacigalupi Vineyard – Russian River Valley
- Donum Estate – Carneros (Past – Still vintages in inventory)
- Ferrington Vineyard – Anderson Valley
- Deer Meadows Vineyard – Anderson Valley (Past – Still vintages in inventory)
- Mariah Vineyard – Mendocino Ridge
- Easley Estate Vineyard – Our Estate Vineyard
- Parliament Hills Vineyard – Petaluma Gap (Pinot Meunier & Pinot Noir)

03

BUSINESS STRATEGY

LA ROCHELLE

LA ROCHELLE FACTS

La Rochelle is the evolution of the first- Wine Club in California – Established in 1967 by Mirassou Winery. Our Membership is our primary “Product”, our focus and the foundation of growth and profitability.

La Rochelle Winery is the evolution of the Mirassou Winery which was the first to bring Pinot Noir to California in 1854. We have more history with Pinot Noir than any other winery in North America.

We produce 17 different Pinot Noirs from 10 different AVA’s in California, making La Rochelle the most diverse portfolio of Pinot Noirs in North America.

Named Best Pinot Noir in California and most renown winery experience in Sonoma Valley in 2020 by Lux Life Magazine – Named Best Pinot Noir in the Americas

We produce Chardonnay from a selection of the most famous Chardonnay Vineyards in California including Bacigalupi and Ferrington Vineyards.

We produce a small selection of hand-crafted Method Champenoise Sparkling wines in the style of small “Grower Champagnes” from France.

We excel in educating our guests and members to identify the key elements that are linked to the value of wines. There are two things that most “experts” agree on:

Wine’s ability to improve and develop with age

Complex wines with multiple flavors and textures are valued over the simple, instant gratification style of wines - big, bold fruity, oaky wines with low acid and some residual sugar are very popular but not seen as high value wines.

We set ourselves apart by helping people understand how to determine value and then delivering wines that fit the profile of the highest value wines.



LA ROCHELLE

BUSINESS STRATEGY

ARTISAN WINES OF CALIFORNIA

Po·lyph·o·ny, La Rochelle, and La Vie

UNIQUE SELLING PROPOSITION

Why does Artisan Wines exist? Our “Why” that drives every action is to “Help people create and improve their Bon Vivant lifestyle.” Defined as: helping people get the most out of the appreciation of wine and the lifestyle elements that create memorable wine experiences. How do we do this?

♦ Membership

Membership provides a lifelong journey into the appreciation of wine. Each wine, shipment, event and all communication provides Members with more tools, information and experiences to stimulate ideas for deeper enjoyment and gratitude.

♦ Portfolio

Our diverse portfolio of 16 Single Vineyard Pinot Noirs (from 10 different AVA’s), five single vineyard Chardonnays and five Single vineyard/single varietal Sparkling wines allow us to take people on a journey of what’s possible with Pinot Noir & Chardonnay from the most sought after vineyards in California.

♦ Value

Established over centuries, the value associated with specific wines is directly related to two key attributes:

Age Ability If a wine can be enjoyed over the course of years or even decades, with the ability to develop nuances that can only come over time, it is very unique and rare. Experiencing a Chardonnay or Pinot Noir that has evolved into something magical is the pinnacle of wine experiences. The proof is that a Pinot Noir is the most highly valued wine in the world and Chardonnays with the ability to age are the highest value White table wines as well.

Complexity Cheap and cheerful / Big bold and fruity are the mainstay of wine production, but, complexity is the cornerstone of high value wines. Complexity is born in the great vineyards. These sites are extremely rare, where grapes reach physical maturity (fully developed, complex flavors), and maintain the perfect balance of acidity and sugar. Therefore the vineyards are the key to La Rochelle’s success. We are blessed to have long term relationships with the best Pinot Noir and Chardonnay vineyards in California.

LA ROCHELLE

BUSINESS STRATEGY

Chuck Easley, the owner with controlling interest in Artisan Wines of California LLC, would like to retire and sell. He would be delighted to stay involved for a period on a limited part-time or on call basis to help the new owner understand the intricacies of the business and have the best possible success in the future.

Chuck is very motivated to transition into retirement. Time is his most valuable asset and he's ready to spend more time with family and do volunteer work. It is his preference to stay involved in AWOC in some capacity, just not on a full-time basis. With 43 years in the industry his guidance would be a valuable asset to any new owner. He is committed to the long-term success of La Rochelle, La Vie and Po-lyph-o-ny.

THE TEAM

Lead by Chuck Easley, the leadership team at AWOC is strong and ready to assist new ownership.

DTC SALES – ASSISTANT GM

Maggie Staines Maggie has eight years management experience in the ultra-premium wine industry in Sonoma Valley. Her experience at Donum Estate, Hamel and AWOC have made her a leader within the winery community. Her vast network of industry contacts and a tremendous ability to bring people together to create memorable experiences is unmatched.

WINEMAKER – AN INCREDIBLE INDIVIDUAL

Fernando Candelario Fernando has 36 years of experience in every aspect of production. There is not a more meticulously skilled cellar master. Fernando's role is critical and will provide continuity and comfort to AWOC's many cherished growers. Any new owner could not welcome a more worthy partner to create world class wines.

VINTNER – PROPRIETOR

Chuck Easley With more than 40 years of experience in all aspects of the wine industry in California and internationally, Chuck will be happy to stay on for the transition and help a new owner put their own individual stamp on this already unique and highly respected winery. His balance of production and senior level sales and marketing management will be a great asset to help take AWOC to the next level.

04

PROPERTY INFORMATION

LA ROCHELLE

PROPERTY INFORMATION

PROPERTY INFORMATION	This property is listed separately to the AWOC LLC Business. It may be available in a separate negotiation with the owner.
PROPERTY ADDRESS	255 Adobe Canyon Road, Kenwood, CA 95452
ASSESSOR'S PARCEL	051-040-075
TOTAL PROPERTY SIZE	± 2.22 Acres
ZONING	Zoning: DA B6 10, SR VOH
FLOOD ZONING	Zone X (no hazard)
PROPERTY USE	± 1.26 acres in permanent crops ± 0.96 acres of ancillary, support, and building site areas ± 1,300 SQFT Residence
DESCRIPTION USE	The property is a boutique winery and vineyard located off Adobe Canyon Road in the Sonoma Valley AVA.
PERMANENT CROPS	4 blocks totaling 1.26 net acres with a total weighted effective age of 28.8 years and a remaining life of 7.1 years.
SOILS	Weighted average capability unit: ±2.7. Weighted average storie index ±62.3.
IRRIGATION	Irrigation water provided by an on-site well, distributed by drip irrigation system.
BUILDINGS	4 buildings totaling 4,026 square feet with a total weighted effective age of 19.2 years and a remaining life of 30.8 years.
HIGHEST & BEST USE	Continued use as vineyard and a winery facility.

LA ROCHELLE
BUILDING IMPROVEMENTS

The property is improved with winery and tasting room, residence and ancillary buildings. The structures are described below as follows:

TASTING ROOM

The winery and tasting room building is rectangular shaped and was constructed in 2002. This 2,436 square-foot building is two-stories and was partially renovated after the 2014 acquisition of the property. It is a barn-style, wood framed structure with batten board exterior, a composition roof with solar panels, and concrete slab foundation. The first floor is separated into three sections. The north end of the building is the tasting room and laboratory, the center portion is utilized for barrel storage and private tastings, and the south end is also for barrel storage and private tastings. There is small second floor that is utilized as an office. The building is improved with floor drains, 480v power and utilizes night air for cooling.

CRUSH PAD

On the west side of the tasting room facility is an uncovered concrete crush pad which at times has been used for winemaking purposes. It is currently used for outdoor storage of seats, heaters, pallets, and other general items.

RESIDENCE

The 1,100 square-foot residence was built in 1954 and includes two bedrooms and two bathrooms. The block framed house is built on a perimeter foundation and has a tar and gravel roof. The interior finishes include tile counter tops, oak wood floors. The residence is improved with HVAC. The roof was reportedly replaced less than 10 years ago, in late 2014 or early 2015.

BUILDING	SQFT	YEAR BUILT	CONDITION
Tasting Room	2,436	2002	Average
Residence	1,100	1954	Fair
Garage	400	1954	Fair
Pumphouse	90	2002	Fair

LA ROCHELLE
PERMANENT CROPS



ROOTSTOCK	VARIETAL	YEAR PLANTED	ACRES PLANTED
CF	Cabernet Franc	1990	0.07
LE	Lenoir	1990	0.10
SY	Syrah	1996	0.26
CH	Chardonnay	1990	0.83

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