

## *Summary of Property Facts and Conclusions*

**Subject Property:** The subject property consists of a varietal wine-grape vineyard, modern winery facility, and irrigated pasture with various equestrian improvements. The subject is located in the Lompoc area of Santa Barbara County, partly within the Santa Rita Hills AVA and partly within the Santa Ynez Valley AVA.

**Parcel Numbers:** Santa Barbara County Assessor's Parcel Number 099-100-047, totaling 101.03± assessed acres.

**Location:** 2075 and 1891 Vineyard View Lane, Lompoc, CA 93436 and located on the northwest side of Vineyard View Lane, one-quarter mile north from the intersection of Highway 246 and Vineyard View Lane, approximately six miles northeast of Lompoc, in Santa Barbara County. Latitude: 34.672021° | Longitude -120.364434°.

**Access:** Paved, fee simple access.

**Ownership:** HB Ranch, LLC, a California Limited Liability Company.

**Occupancy:** Owner occupied and operated.

**Zoning:** AG-II-100, Agriculture with a 100-acre minimum parcel size.

**Physical Description:** Irregular shaped parcel with generally sloping to rolling topography.

**Land Use:** 101.03 assessed acres, consisting of 21.19± acres of varietal wine-grape vineyards, 10± acres of irrigated pasture land suitable for vineyards, and 69.84± acres of ancillary land consisting of a potential homesite, a winery site, a reservoir, well sites, drives, and hillsides.

**Soils:** Class IV, VII and VIII soils, suitable for wine-grape production.

**Water:** Irrigation and domestic water are provided by two on-site pumps and wells.

**Buildings:** Winery Facility: 15,610 square-feet under roof, consisting of a 11,010 square-foot office/la, tasting and production/barrel storage area, and a 4,600 square-foot covered crush pad.

Two modular dwellings, several sheds and outbuildings, an equestrian facility with a one-bedroom residence, a lab/office, a commercial kitchen with outdoor entertainment area and horse stalls.

**Highest & Best Use:** Continued use as varietal wine-grape vineyard and winery, with equestrian improvements and irrigated pasture.

The subject property *is not* enrolled in the “Williamson Act” Agricultural Preserve. The subject property’s enrollment status in the Williamson Act **is not** considered a material factor in the valuation of the properties. For more information regarding the Williamson Act, please visit the following website: <http://www.conservation.ca.gov/dlrp/lca/Pages.aspx>

The marketplace does not recognize the Williamson Act implications or property tax fluctuations, as the primary demand factor in the marketplace is the acquisition of the land for utilization on an owner operator basis and not as a passive investment. This includes farming to open row, field, and vegetable crops and/or for development to permanent plantings.

### ***Zoning and Permits***

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According to the Santa Barbara County Planning Department, the subject property is zoned (100-AG) Agriculture, with a 100-acre minimum parcel size. The subject property is located in an area typically devoted to rural residential and agricultural uses and is not located within the sphere of influence of any city or rural community. As such, no change in the zoning designation is anticipated in the foreseeable future.

The subject’s winery facility is approved by the Santa Barbara County Planning Department according to land use permit number 12LUP-00000-00336, dated March 1, 2013. The winery is permitted to produce 5,000 cases of wine per year, host four special events with a maximum attendance of 150 guests per event and twelve private organized gatherings with a maximum attendance of 75 guests for each event. No public wine tasting will be permitted except by appointments.

The subject winery is enrolled in the Small Winery Waiver of waste discharge requirements. Additionally, no air permits are required for the subject winery.

### ***Property Description and Land Use***

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The property consists of one (1) Assessor’s Parcel, is irregular in shape, with sloping to rolling topography. The site generally ranges in elevation from approximately 400± feet above sea level along the east line of the property to 570± feet above sea level near the southwest corner of the property. The subject fronts Vineyard View Lane, with access only available from one paved on-site road that intersects with Vineyard View lane.

The subject property consists of 21.19± acres of varietal wine-grape vineyards, 10± acres of irrigated pasture land that could be planted to vineyards, a 2-acre potential homesite, a 2-acre winery site and 65.84± acres of ancillary land consisting of farmstead sites, a reservoir, well sites, drives, landscaping and hillside. The winery consists of 11,010 square-feet of enclosed space, with an additional 4,600 square-foot covered crush pad, for a total of 15,610± total square-feet under roof. The winery facility occupies approximately two acres, situated southeast of the equestrian facility.



*Subject Vineyard*



*Subject Vineyard*

### ***Building Improvements & Winery Facility***

The subject's building improvements are further described below:

<i>Building</i>	<i>Sq Ft</i>	<i>Foundation</i>	<i>Framing</i>	<i>Siding</i>	<i>Roof</i>	<i>Condition</i>
<i>Winery</i>						
Winery	11,010	Concrete	Conc./Mtl	Conc./Corten	Corten	Good
Covered Crush Pad	4,600	Concrete	Metal	Open	Corten	Good
<i>Anc. Buildings</i>						
Mobile Home (Perm Found)	1,700	Pier	Wd.Mtl.	Wood	Comp.	Good
Employee Dwelling	700	Pier	Wd.Mtl.	Wood	Comp.	Good
Garage	1,250	Concrete	Wood	Wood	Concrete Tile	Good
Pump House	288	Concrete	Wood/Concrete	Corten	Corten	Good
Compost Cover	336	Concrete	Wood/Metal	Open	Corten	Good
Equipment Canopy	1,260	Dirt	Wood/Metal	Open	Corten	Good
Equipment Shed #1	504	Dirt/Concrete	Wood/Metal	Corten 3 Sides	Corten	Good
Equipment Shed #2	504	Dirt/Concrete	Wood/Metal	Corten 3 Sides	Corten	Good
Equipment Shed #3	1,036	Dirt/Concrete	Wood/Metal	Corten 3 Sides	Corten	Good
Hay Shed	336	Dirt	Wood/Metal	Wood	Corten	Good
Horse Shelter #1	540	Dirt	Wood/Metal	Open	Corten	Good
Horse Shelter #2	540	Dirt	Wood/Metal	Open	Corten	Good
Equestrian Facility	7,389	Concrete	Rastra/Wood	Rastra/Stucco	Concrete Tile	Good

The *Winery* totals 15,610 square-feet under roof, consisting of a 1,222 square-foot office/lab, a 9,788 square-foot production/storage area, or 11,010 square feet of enclosed space. There is also an attached 4,600 square-foot covered crush pad. The winery facility occupies approximately two acres found southeast of the equestrian facility. The building is multi-tiered and consists of an upper covered crush pad, connected to the upper interior building area used for production, with a lower barrel room. Finally, there is lower production and tasting area located at the downhill ground level. The lower production area is primarily utilized for barrel storage and blending. The upper floor also contains the office/lab, fermentation area, equipment storage, and a small cold storage room. The facility utilizes a gravity flow wine processing.

The facility is constructed of concrete and metal framing with metal Corten siding and roofing. Along the eastern elevation of the building is a bank of glazed wall to wall windows to take advantage of the eastern views from the winery site. The facility also has a loading dock, and there

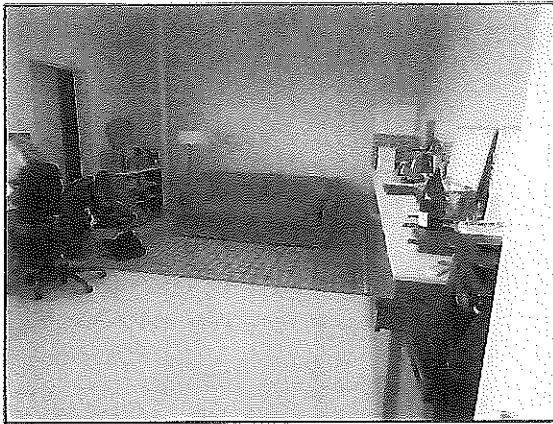
The subject property consists of 21.19± acres of varietal wine-grape vineyards, more specifically described below:

Block	Planted	Graft	Variety	Clone	Rootstock	Acres	Spacing	Trellis
1A	2005	-	PN	Pommard	101-14MG	1.01	6 X 3	VSP
1B	2005	-	PN	Pommard	420A	0.64	6 X 3	VSP
2A	2005	-	PN	777	101-14MG	0.92	6 X 3	VSP
2B	2005	-	PN	115	420A	0.69	6 X 3	VSP
2C	2005	-	PN	115	1103P	1.53	6 X 3	VSP
2D	2005	-	PN	667	420A	0.56	6 X 3	VSP
3A	2006	-	PN	777	SO4	1.01	6 X 3	VSP
3B	2006	-	PN	667	SO4	1.17	6 X 3	VSP
4A	2007	-	CH	96	420A	1.74	6 X 3	VSP
4B	2007	-	CH	96	420A	1.50	6 X 3	VSP
5	2007	2008	PN	Calera	1103P	2.34	6 X 3	VSP
6A	2007	-	PN	115	1103P	1.07	6 X 3	VSP
6B	2007	2008	PN	Calera	1103P	1.70	6 X 3	VSP
7A	2007	-	PN	115	1103P	1.77	6 X 3	VSP
7B	2007	-	PN	777	1103P	1.93	6 X 3	VSP
7C	2007	-	PN	828	1103P	1.61	6 X 3	VSP
<b>Total Net Acres</b>						<b>21.19</b>		

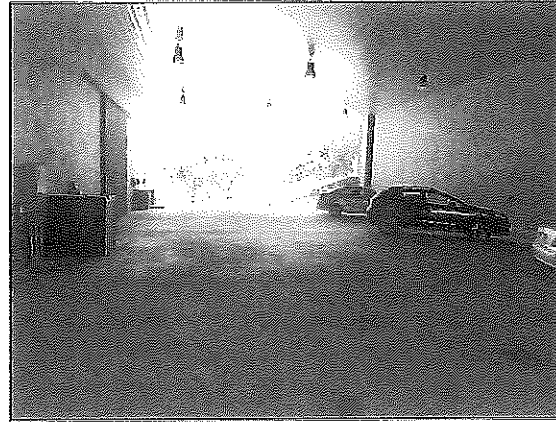
All the vineyard blocks are unilaterally trained on a trellis system consisting of end posts, a metal stake at each vine, one cordon training wire, one fixed support wire, and two sets of movable catch wires. The vineyards appear to be in average condition and cultural practices conform to current area standards.

The subject's production history is provided below:

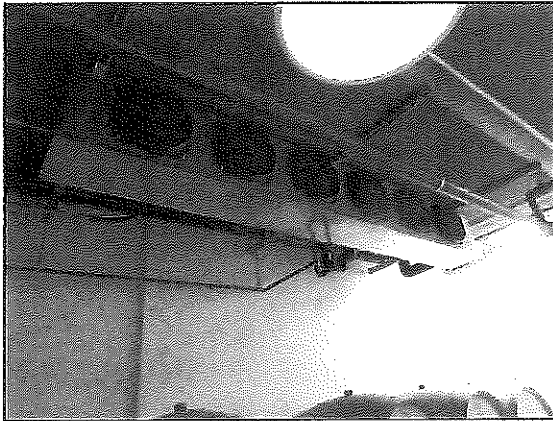
Block	Variety	Acres	Tons Per Acre				Average
			2014	2015	2016	2017	
1A	PN	1.01	5.66	4.21	2.87	3.14	3.97
1B	PN	0.64	5.89	4.28	5.58	4.19	4.98
2A	PN	0.92	3.88	2.95	2.50	1.78	2.78
2B	PN	0.69	5.57	3.97	4.00	1.54	3.77
2C	PN	1.53	4.57	2.95	2.67	2.76	3.24
2D	PN	0.56	5.64	3.75	2.88	2.79	3.76
3A	PN	1.01	6.60	4.13	2.95	3.87	4.39
3B	PN	1.17	4.47	3.38	2.79	3.30	3.49
4A	CH	1.74	6.98	6.70	6.58	5.64	6.48
4B	CH	1.50	7.11	6.24	6.25	4.63	6.06
5	PN	2.34	3.72	1.60	2.97	2.12	2.60
6A	PN	1.07	4.55	2.52	3.53	3.15	3.44
6B	PN	1.70	3.98	2.74	2.34	3.14	3.05
7A	PN	1.77	5.75	2.08	3.12	1.98	3.23
7B	PN	1.93	3.55	2.19	2.65	1.84	2.56
7C	PN	1.61	5.58	5.30	4.44	6.14	5.36
<b>Total Net Acres</b>		<b>21.19</b>	<b>5.10</b>	<b>3.57</b>	<b>3.62</b>	<b>3.28</b>	<b>3.89</b>



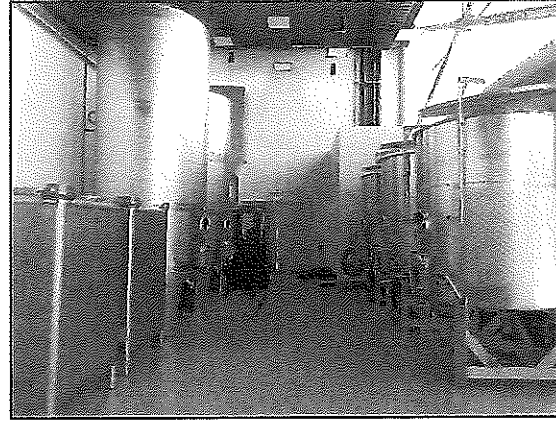
*Lab*



*Covered Crush Pad Area*



*Cooling System*



*Lower Production Area with Tanks*

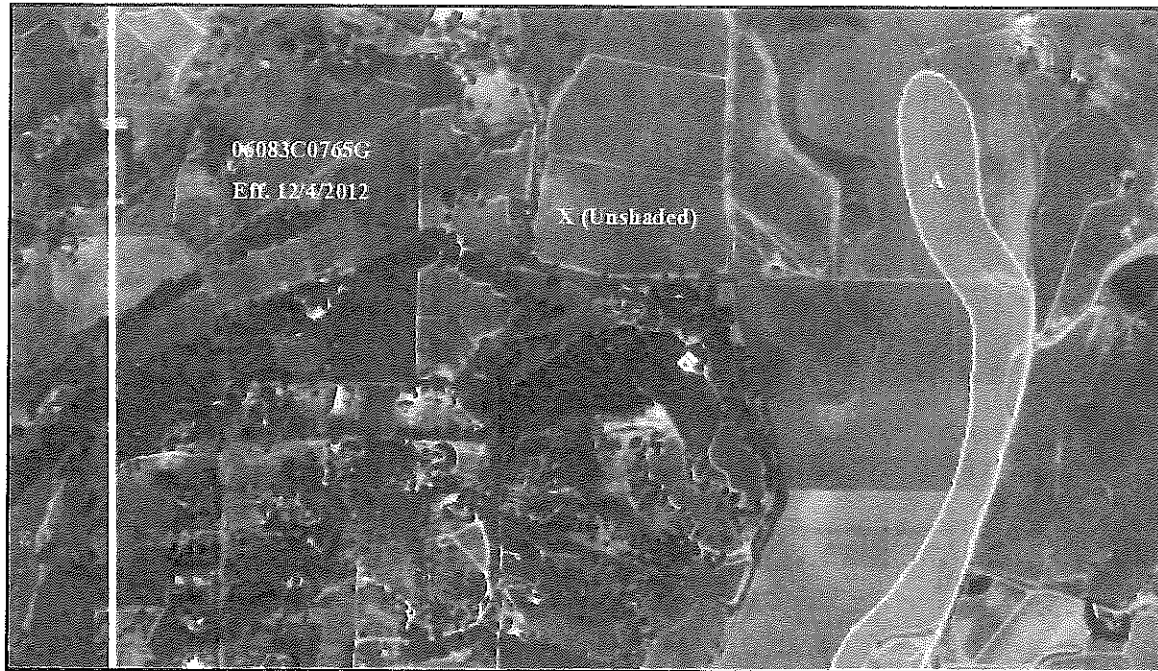
The *Equestrian Facility* is a 7,389 square-foot U-shaped structure containing an office/lab (potentially a studio apartment), a one-bedroom residence, a commercial kitchen, an event or entertainment room, eight horse stalls, a tack room, a laundry room, and a wash stall. The facility is of very good quality, with the main walls of Rastra with a stucco covering and a concrete tile roof. The main courtyard has pavers, as does some of the exterior of the facility. An area for hosting parties/events is adjacent to the building with amenities including a large outdoor BBQ and kitchen, pizza oven, rose/vegetable garden and a bocce ball court.

## *Flood Zone*

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The subject's flood zone is described as follows:

*Zone "X-Unshaded": Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.*



## *Fault-Rupture Hazard Zone*

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The subject property is *not* located within any Alquist-Priolo Special Earthquake Studies Zones according to Special Publication 42, revised in 2018 by the Department of Conservation, Division of Mining and Geology.

## *Water*

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Two on-site wells provide irrigation and domestic water to the property. The wells consist of submersible pumps approximately 650 feet deep and produce 200 gallons per minute. Well #1 is located at the southeast corner of the property next to the entrance, while well #2 is located near the northeast corner of the property.

Well #1 feeds into a six acre-foot reservoir with a booster pump for vineyard irrigation and frost protection. Well #2 feeds into six 10,000-gallon steel water tanks located on two separate hilltops for domestic use and landscape irrigation. The domestic well (Well #2) can also feed into the reservoir, if needed. The vineyard blocks are irrigated via a drip line system consisting of underground PVC lines to risers, with one drip hose per row. Overhead sprinklers are used for frost protection and cover crop irrigation. The winery receives water from Well #2; however, both wells are capable of providing water to the winery, if needed.