

OFFERING MEMORANDUM

Kenneth Volk

VINEYARDS



5230 TEPUSQUET ROAD | SANTA MARIA | CA | 93454



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TERMS AND CONDITIONS

PURPOSE

This Offering Memorandum is provided by Jenny Heizen Real Estate (“Broker”) to registered Buyers (“Buyer” or “Buyer’s Agent”) for the purpose of considering the acquisition of the real estate assets and optional business of Kenneth Volk Vineyards.

DISCLAIMER

Information contained herein has been provided by Seller or from other sources deemed reliable. Broker has not verified the information and makes no representation as to its accuracy, does not warranty or guarantee the information, and expressly disclaims any responsibility for action taken by Buyer in reliance on the information. It is the responsibility of the Buyer to undertake due diligence and seek proper advice and guidance from trusted advisors.

CONFIDENTIALITY

The information presented in this Offering Memorandum is proprietary and confidential. It is intended solely for use by those who are registered Buyers and Buyer’s Agents.



OFFERING SUMMARY

5230 Tepusquet Road, Santa Maria, "Kenneth Volk Vineyards", is an exceptionally rare gem deep in the heart of Santa Barbara's Santa Maria Valley. Kenneth Volk Vineyards is found on the Foxen Canyon Wine Trail in the original Byron Winery with a valuable use permit. The landmark property includes a 10,000+ square foot commercial winery, desirable tasting room and offers a number of potential uses with land for expansion and space for a residence. Industry legend Kenneth Volk extensively upgraded and equipped the facility for high-end, sophisticated winemaking. A serene setting home to colorful gardens and a meandering creek, the impressive grounds includes 4-5 acres of fallow vineyard land ideally suited for organic Chardonnay and Pinot Noir or expansion. A chef's kitchen, spacious event areas, and ample office space add tremendous value to the property. Neighbors include Cambria Vineyards to the west and the new Byron Winery to the south.

OFFERING PRICE

Real Estate	\$2,300,000
Winery Equipment, Business & Wine Inventory	Negotiable



PROPERTY DETAIL

Property Address:	5230 Tepusquet Road, Santa Maria, CA 93454
Parcel Number:	129-250-005
Current Use:	Winery and Tasting Room
Zoning:	AG-I-10
Year Built:	Originally Byron Winery built in the 1980's
Building Size:	±11,04 ±10,273 sqft and 5,000 sqft crush pad
Buildings:	Building A (4,988 sqft) & Building B (5,285 sqft)
Total Land Area:	±10.2 Acres
Fallow Vineyard Land:	4-5 acres eligible for organic certification

LOCATION & AVA

Kenneth Volk Vineyards is located in Santa Barbara County, California on the Foxen Canyon Wine Trail in the Santa Maria Valley American Viticulture Area "AVA". The property is located southeast of the City of Santa Maria and just east of the community of Sisquoc at the mouth of Tepusquet Canyon on the Santa Maria Mesa Bench. The property is adjacent to top Pinot Noir and Chardonnay vineyards. Neighbors include Bien Nacido Vineyards and property borders Cambria Vineyards to the west and the new Byron Winery to the south.



THE STORY

After four decades of winemaking on the Central Coast, industry legend Ken Volk is offering his winery for sale.



Kenneth Volk Vineyards is located in the original Byron Winery.

Founded by Dale Hampton, John Donovan, and partner Ken Brown, the property and brand were acquired by Robert Mondavi in 1990. This landmark 10,000square foot winery and tasting room is nestled along Tepusquet Creek in Santa Barbara's bucolic Santa Maria Valley American Viticultural Area. The facility has been extensively upgraded and equipped for high-end, modern winemaking.

Volk, most notably the founder of Wild Horse Winery & Vineyards in Templeton, purchased the Byron Winery 12 years ago after selling the Wild Horse property and brand to Peak Wines International (a subsidiary of Jim Beam Brands Worldwide, Inc). Dedicated to the Central Coast growing region, Volk has been instrumental in putting the region on the world's viticulture map, and bringing international awareness to the unique grape growing climates hidden within Santa Barbara, San Luis Obispo, Monterey and San Benito Counties.

Volk's legacy in the wine industry is far-reaching, having been the first President of the Paso Robles Grape Growers Association in 1982. He also served as Chairman of the Board of the Paso Robles Wine Country Alliance, 1997-2001. Upon establishing Kenneth Volk Vineyards, Ken served two terms on the Board of Directors of the Santa Barbara County Vintners Association.

A wine and viticulture education advocate, Ken helped fund the pilot winery at his alma mater, California Polytechnic State University, and served as the Chairman of the Industry Advisory Council for 10 years. He has trained and mentored countless successful winemakers and industry professionals over the past four decades. The family tree of alumni is both extensive and global.

When asked about retirement, Volk explained, "It's really two-fold. After suffering a stroke six years ago, I continue to face some ongoing challenges with my health that prevent me

from going to the winery on a daily basis. Additionally, like many of my colleagues who started family-owned wineries, my children have their own successful careers outside of this industry. I look forward to seeing a buyer take the brand to the next level.”

In addition to the winery and tasting room, the Kenneth Volk Vineyards property includes native gardens, a tranquil creek, event areas, a commercial kitchen and extensive office space.

Heralded for his flagship Chardonnay and Pinot Noir, Volk attributes their exceptional quality to coastal maritime climate of Santa Maria Valley, the resulting in longer hangtimes, and the region’s well-draining soils.

Real Estate Broker Jenny Heinzen is representing Kenneth Volk Vineyards. Offering details are available at www.jennyheinzen.com. Heinzen commented, “It was a privilege to be a project manager for the Wild Horse Winery sale over 15 years ago. Now, I look forward to facilitating Volk’s transition to retirement.”

BUILDING INFORMATION

Formerly housing Byron Winery, the facility was purchased in 2004. The winery was extensively remodeled and upgraded in 2005 and 2006. This winery is very unique and can not be duplicated in Santa Barbara County. The layout and scale is ideal for custom crush. The facility has received many upgrades, including new equipment, fire sprinklers, re-plumbing, CO2 evacuation system, re-insulation of production bays, addition of a mezzanine level and a Reverse Osmosis water system.

Two 2-story buildings (Building A and Building B) totalling 10,273 sqft (per appraisal) are connected by a 5,000 square foot crush pad. The buildings house the tasting room,



restrooms, case storage/overflow area, mezzanine, fermentation room, two barrel storage areas, offices, conference room, general storage, kitchen and wine lab.

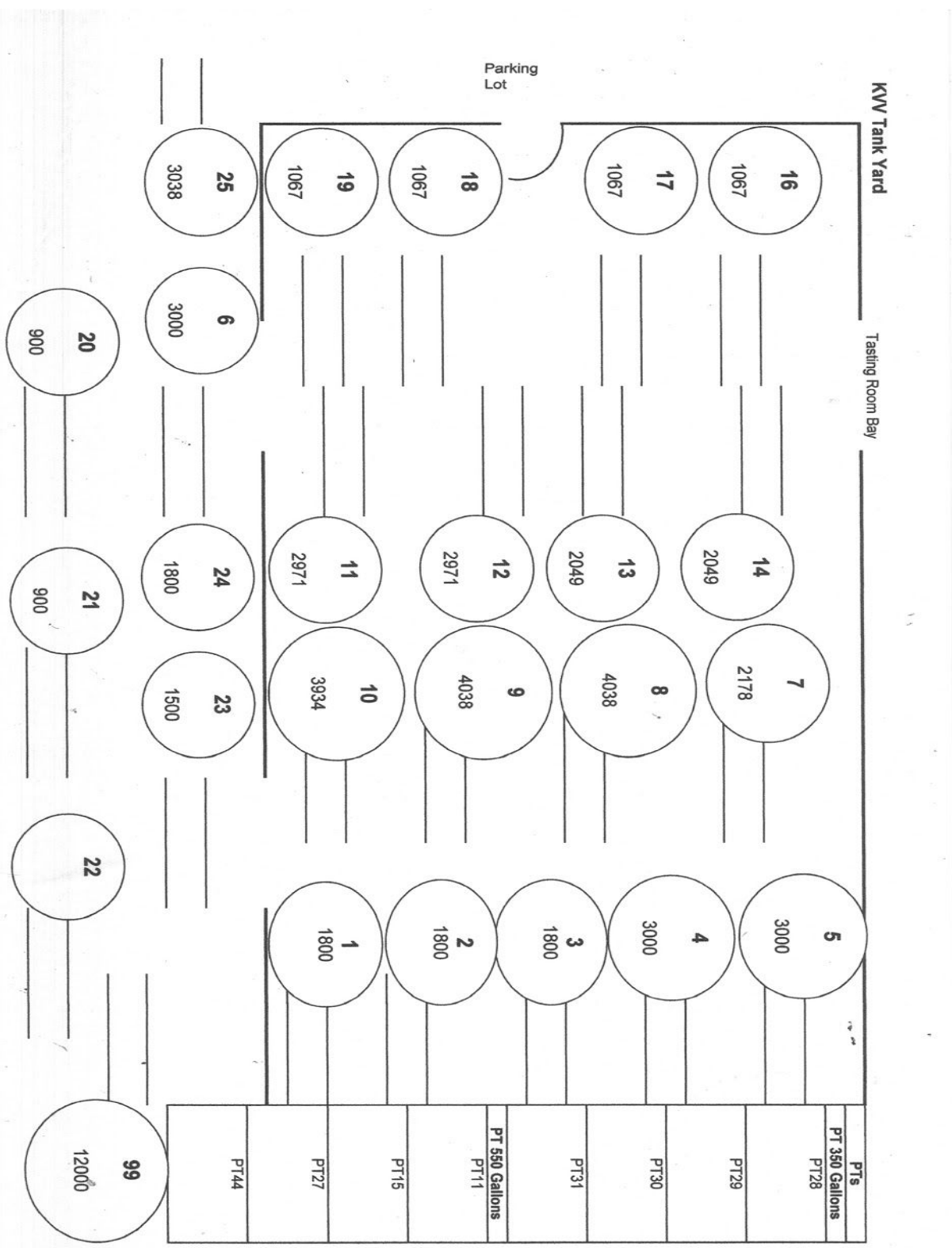
BUILDING A

Built in 1982 and located on the northern portion of the property, the 2-story building covers a total of 4,988 square feet. It was constructed with a concrete slab foundation, batt & board exterior walls and a concrete tile roof.

Building A includes the tasting room, public restrooms, case storage & overflow area with mezzanine, fermentation room and upstairs offices. The ceiling peak at the center of the building is 23 feet. The fermentation and case storage areas are well-insulated. Plus, the walls and the area between the ceiling and roof are actively ventilated and have interior exhaust fans.



Stainless steel tank capacity is approximately 68,000 gallons.



Note: Tank #PT31 stainless steel glycol jacketed 350 gallon porta tank, not included.



CRUSH PAD

Building A and Building B are 45 feet apart and connected by a 5,500 square foot crush pad with a 36'x65' cover.



BUILDING B

Building B was constructed two years later with similar construction and materials as Building A. The building is a total of 5,285 square feet, including a warehouse, lab, kitchen, storage and a restroom with shower. The warehouse space is divided into two barrel storage rooms (for red and white wines) and holds up to 2,000 barrels on conventional barrel racks. The wine lab is stocked with extensive equipment, nearly to the point of analytical self-sufficiency. The kitchen has fiberglass reinforced panels on the walls, a Montague Grizzly range with six burners, a griddle and two ovens. There are also stainless steel sinks and a hood with a dry fire suppression system. The second floor has two offices, a conference room and storage.



OXO Barrel rack system

SITE IMPROVEMENTS

The property is extensively paved and fenced. Both buildings feature balconies along the office areas. Trellises along the front of the winery facility support grape arbors. In addition to the native and vegetable gardens along Tepusquet Road, Building A and Building B each have picnic/event areas with trellises for shade.

WATER SYSTEMS & WASTEWATER

Water for the property comes from an offsite-well through an easement, supplying both the landscaping and winery needs. The water is stored in two 5,000 gallon tanks and three 1,500 gallon cisterns. The treatment process for potable and winery water includes the use of Reverse Osmosis as well as ultraviolet light for sanitation.

The facility has both a fire control sprinkler system and fire hydrant hook-ups. An on-site septic system services blackwater. Winery wastewater treatment is sent to a solids separator and pumped into a series of gravity fed settling tanks leading to the leach field.

Reverse Osmosis water system:



Equipment List (Optional)

Small Production Equipment

- 1 1.5HP Goulds centrifugal pump
- 3 Acrolon Tank Temperature Controllers w/ probes
- 2 Aqua Tools high pressure tank/barrel cleaner
- 2 Barrel washing sprayball and stand
- 1 Barrel master Turbo nozzle barrel cleaner
- 1 Mazzei venturi for macro OX pumpover
- 1 Carlsen & Assoc. VFD and enclosure
- 2 Gas cylinder carts
- 1 Hydro-Tek floor cleaner
- 2 Pallet Jack
- 1 Portable heating/cooling fan
- 1 Berkstaler liquid SO2 dosing apparatus
- 1 SO2 barrel gas dispenser w/o hose
- 1 Model 360 SS Cloud Washer with wheels (tank cleaner)
- 2 TOAD tank must irrigators
- 1 Bolondi Rotojet XC020
- 2 Mobile Fittings cart with extensive inventory of tank and hose fittings
- 1 Large screened racking wand for juice draining from fermenters
- 800+ French and Hungarian Oak barrels with traditional barrel racks

Large Production Equipment

- 1 RA-110 Guth mixer on wheels, leveling hydraulics
- 1 Milani vibratory sorting table w/ removable roller crusher assembly w/2 juice collection trays, 3 debris screens, and 2 Mog channels
- 2 Greenheck Fan coils for chilling case goods
- 1 500 gal upright compressed air holding tank
- 1 Carlsen & Assoc. screw sump for W130
- 1 Carlsen & Assoc. 6' overhead receiving hopper
- 3 Catwalk system for tank access
- 1 Custom Equipure RO unit, 6,500 gallons/day, new in 2017
- 1 UV Max sanitation light
- 1 Spadoni Plate & Frame filter w/ diversion plate and extension spindle, 40mm, 60 frames
- 1 Gusmer Crossflow filtration unit - Gusmer FM20
- 1 Forklift - Hyster 50XM
- 1 Genie Scissor Lift - 19'
- 1 Glycol chilling skid - APPCO
- 1 Hypac (5 ton) Hydraulic SS Basket Press & 2 press pans, 2 baskets & screened juice sump
- 1 Membrane/Pulsar feeder LP-4040
- 1 OXO barrel rack system - 240 barrel capacity
- 1 Carlsen & Assoc. portable ozone generator
- 1 CME 300 GPM peristaltic must & wine pump - P&L Specialties
- 1 Pneumatic punch down system - 4' Stroke
- 1 Velo 4 meter horizontal Pressure leaf D.E. filter
- 1 KEW pressure washer - Poseidon 1280
- 1 Puleo Vega 10 destemmer w/ leg extensions

- 1 Puleo SF80 "6,000 liter" bladder press w/ portable collection sump, SS receiving hopper & axial must feed port
- 1 Reimers Electric steam generator - Aaquatools - barrel steam cleaner
- 1 Cascade Side Tilt Bin Dumper (Left or Right)
- 1 Lift Master Forward Bin Dumper
- 3 Waukesha 130 pump
- 1 Waukesha 60 pump
- 1 Carlsen & Assoc. pressure transducer
- 1 Rapid-fill barrel filling/emptying system with racking wands
- 1 Yamada NDP25 air diaphragm pump
- 1 Yamada NDP50 air diaphragm pump
- 1 Waukesha 2065/10HP tank cleaning pump
- 1 Aqua Tools Hot Cart with Tankless Noritz water heater and KEW Poseidon 1280 pressure washer

Lab Equipment

- 1 Density Meter - Anton Paar
- 1 Density Meter II w/ accessories
- 1 Dissolved Oxygen Meter + Probe - American Tartaric
- 1 Electric Ebuliometer
- 1 Ammonia Electrode
- 1 Bench top pH meter - Mettler Toledo S20
- 1 Adams & Chittenden Vacuum Aspiration SO2 assembly
- 1 Digital pH/DO meter - Orion 5 star
- 1 Digital pH meter - Orion 2 star
- 1 Total phenols Photometer
- 1 Centrifuge - Beckman TJ-6

- 1 Spectrophotometer - Fischer Scientific
- 1 Vacuum pump
- 1 Incubator - Quincy Lab Inc. Model 10-140
- 1 Heating mantle - Cynmar
- 1 Filtration system - Cynmar
- 1 Alcolizer - Anton Paar

Tanks

- 1 300 gal plastic 'Oeno' tank
- 6
- 4 1800 gal jacketed and insulated (f/s)
- 3 3000 gal jacketed and insulated (f/s)
- 1 2178 gal jacketed (f/s)
- 2 4038 gal jacketed (f/s)
- 1 3934 gal jacketed (f/s)
- 2 2971 gal jacketed (f/s)
- 2 2049 gal jacketed (f/s)
- 3 1067 gal jacketed (f/s)
- 1 1097 gal jacketed (f/s)
- 1 900 gal jacketed open top (f)
- 1 900 gal jacketed removable lid (f/s)
- 1 1500 gal jacketed open top (f)
- 1 1500 gal jacketed (f/s)
- 1 12000 gal jacketed (f/s)
- 2 350 gal portable (s)
- 1 350 gal portable jacketed (f/s)

- 4 550 gal portable jacketed (f/s)

Temperature Related Equipment

- 1 Main Chiller IRRAP30 HP with 2 Carrier 5F30 Compressor, with 2 pumps and reservoir.
- 2 Krack High Profile 3 fan glycol circuited fan coil units for barrel rooms, with piping and controls
- 1 Tank Temp Control 10HP portable glycol heater/chiller with internal heat exchanger
- 1 Portable Glycol tank heater
- 1 Glycol circuited fan coil unit
- 4 Ducted fan units for night air and CO2 removal
- 2 HVAC systems
- 1 Glycol 300 gallon insulated holding tank
Insulated piping and tank controls

Vineyard Equipment

Tractor: Brand, Pioneer Model, Case IH CX100, STK#C08522

Yellow Vineyard Sprayer: Brand, AG International

Disc: Brand: Big Ed, Model, DZ-11

Mower, Model, BM03, Width, 50inches

Seeder: Brand, TG Schmeiser Co. Serial# DD036898 Model# STS726 IT S-Line, Year: 9/1998, Width: 76inches

Green Skid Sprayer: Brand, PBM, Model# PBM 150 3PT D30, Serial# 2012 0751

Yellow Air Sprayer: Brand, Air-O-Fan Products Corp, Stainless Steel 300 gallon narrow row vineyard spray rig

FARM/VINEYARD LAND

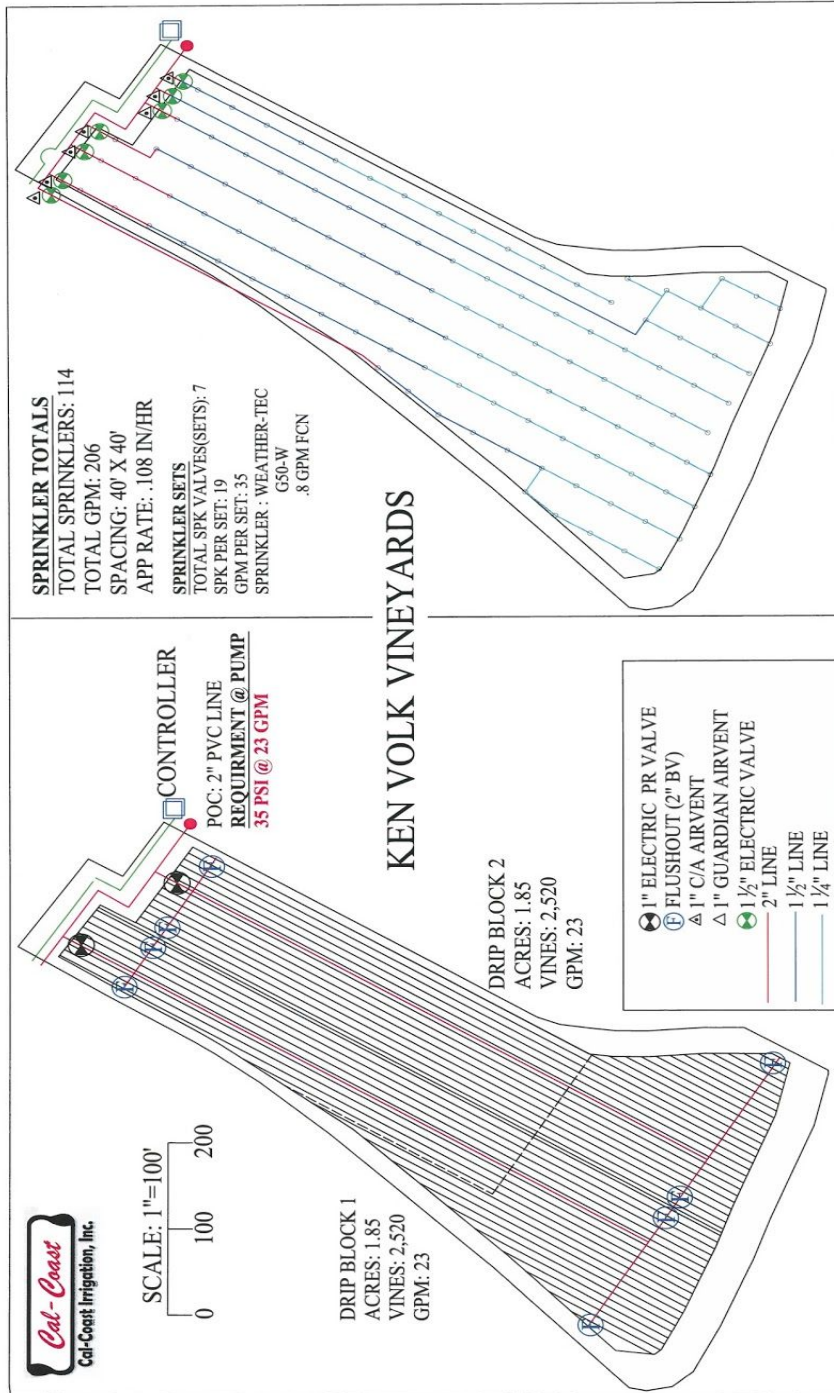
The climate and soils are ideally suited for Chardonnay and Pinot Noir. A 4-5+ acre own-rooted Wente Clone Chardonnay vineyard was planted when the winery was developed in 1981. The land is currently fallow and has been maintained in preparation for a replant and is eligible for organic certification. Since 2014, Kodiak mustard has been planted as a biofumigant to increase organic matter, erosion control and nutrient recycling. A detailed article on the use of mustard in vineyards is available.



NRCS SOIL SURVEY

Map Symbol	Soil Name	Est. % of Property	Soil Cap. Rating
BoA	Botella loam, 0 to 2 percent slopes	9.0%	1
ChG2	Chamise shaly loam, 30 to 75 percent slopes, eroded	7.8%	7e
EdA2	Elder sandy loam, 0 to 2 percent slopes, eroded	3.9%	2w
GuE	Gullied land	57.8%	8e
PrC	Pleasanton very fine sandy loam, 2 to 9 percent slopes	8.2%	3e
PsD	Pleasanton gravelly very fine sandy loam, 9 to 15 percent slopes	3.4%	3e
SmG	Santa Lucia shaly clay loam, 45 to 75 percent slopes	9.9%	7e

Irrigation Proposal



BUSINESS OVERVIEW

(Optional with real estate purchase)



Kenneth Volk Vineyards was established in 2004 when the Volk Family Trust purchased the original Byron Winery facility. Aqua Pumpkin is the California corporation name for the business. Aqua Pumpkin is a companion label and dates back to 1986. There are 6 full-time and 4 part-time employees. The winery is a fully staffed, ongoing concern with significant sales and revenues.

The luxury brand has an average retail bottle price of \$32 and is well known and highly awarded. The tasting room and wine club provide substantial Direct to Consumer sales. The wine business, brands (Kenneth Volk Vineyards & Aqua Pumpkin) and wine inventory are negotiable.

WINE CLUB

The Cellar Door Club is a uniquely progressive wine club that offers approximately 800 members one of the finest portfolios of California wines. It has been structured to appeal to the computer savvy consumer who enjoys interacting and communicating via the web and social media.

Unlike most wine clubs, it allows members the choice of either selecting the wines they wish to receive in each shipment, or simply allowing the pre-selected wines to be delivered directly to their door. This is accomplished by the interactive web-based wine club.

WINE INVENTORY

Approximately 25,000 cases of high-quality wine inventory is included with the Business at



a significant Cost of Goods discount. Kenneth Volk Vineyards sources grapes from outstanding vineyards and uses innovative winemaking techniques to craft these uniquely-styled luxury wines.

The majority of inventory is [Chardonnay](#) and [Pinot Noir](#) from Santa Barbara's Santa Maria Valley, a region renowned for Burgundian

varieties. Santa Maria Valley's unique soil, paired with the cooling influence of the sea, provides the ideal growing conditions for these wines. The Santa Barbara wines come from some of the region's most acclaimed vineyards: including Sierra Madre, Bien Nacido, Solomon Hills, Garey Ranch, and the historic Nielsen Vineyard.

Other inventory includes [Cabernet Sauvignon](#) and [Merlot](#) from the western-most locations of Paso Robles, an area that is among the best California has to offer for these wines.

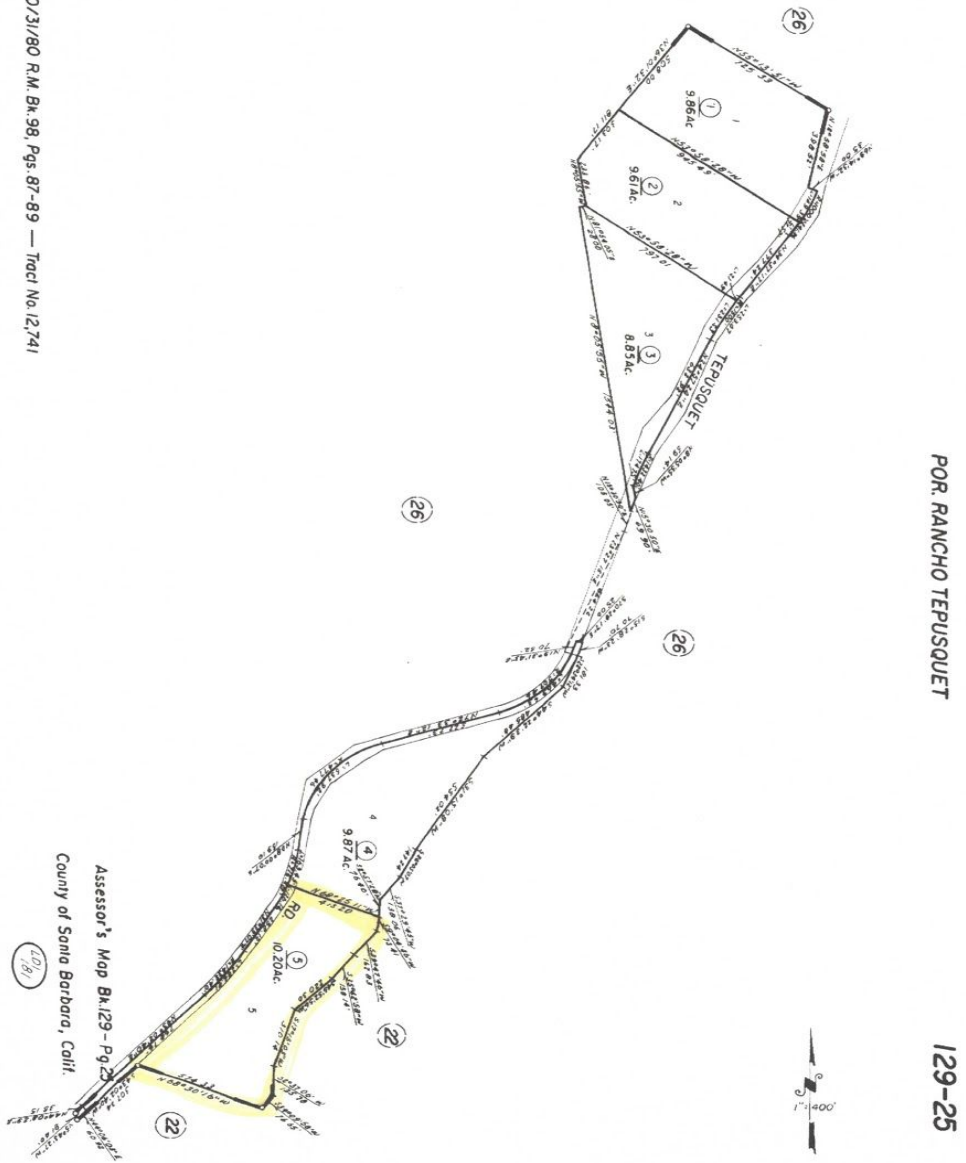
Small amounts of heirloom wines are also included from unique vineyard sites located throughout California's Central Coast.

FINANCIAL INFORMATION

Upon request and at the Seller's discretion, financial information and due diligence items may be provided to Buyers who have signed a CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (C.A.R. CND) and provided proof of funds.

PARCEL MAP

10/31/80 R.M. Bk. 98, Pgs. 87-89 — Tract No. 12,741



Assessor's Map Bk. 129 - Pg. 25
County of Santa Barbara, Calif.
(12/81)

POR. RANCHO TEPUSQUET

129-25



OFFERING PROCEDURE

To schedule a tour, contact Real Estate Broker, Jenny Heizen (805) 260-0581. All offers will be seriously considered. A Real estate purchase agreement is preferred prior to discussion of negotiable items.

Property and Permit History Report available upon request.

Please email offers to jenny@jennyheizen.com or call for other arrangements. California Association of Realtors (C.A.R) forms are preferred.



Jenny Heizen, Broker/REALTOR®, BRE# 01436553

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