PROPERTY DESCRIPTION

Identification / Physical Features:
The subject property is identified as Assessor Parcel Number 047-320-024. The property is located approximately 7 miles southwest of downtown Napa, in southwestern Napa County and lies within the Los Carneros AVA. The subject lies just to the east of the Napa/Sonoma County line. The Los Carneros AVA encompasses portions of both Napa and Sonoma Counties that share similar attributes.

The subject property totals 20.63 acres developed with 10.52 net-acres of vineyard (of which 8.77 are considered plantable), an additional 1.8 acres considered plantable (previously planted, but removed in 2019), with 8.31 acres for site and vineyard support. Views are of the surrounding area, neighboring vineyards, as well as the subject vineyard. Topography is relatively flat to gently sloping, with elevations ranging from approximately 27 feet above sea level at the northwest corner, to six feet above sea level along the southeastern border. The subject’s eastern and southeastern borders are roughly formed by Huichica Creek. The subject has average seclusion due to surrounding vineyards, and riparian growth along Huichica Creek. There are numerous vineyard and rural properties surrounding the subject. The area to the south of the subject is primarily low-lying marshland and a large slough that make up Napa Sonoma Marshes Wildlife Area on the northern end of San Pablo Bay. The subject has limited homesite appeal due to the low-lying topography and the restrictions of the conservation agreement. However, a home could likely be built on the higher portion of the property as there are neighboring properties with building development.
Legal Description, Easements and Encroachments

A current title report was not provided. This appraisal is based on the extraordinary assumption that anything identified in a title report would have no effect on the value of the property. A legal description was provided, and appears to describe the subject. Contiguous parcel #047-320-025 belonging to the State of California appears to use the road that passes along the eastern boundary of the subject for access.

The subject property is under an agreement with the State Coastal Conservancy that was made on May 20, 1991 and runs through December 31, 2023. The agreement states that the Conservancy grants to the Napa County Resource Conservation District (RCD) an amount not to exceed $355,000 subject to terms and conditions, which state that the RCD must purchase a parcel of land (specified in the agreement) at a price not to exceed fair market value, that is to be used to establish a demonstration vineyard. After purchase the property cannot be sold or used as security without the consent of the State of California along with other restrictions per the terms of the agreement, while the agreement is in place.

A road, utility, and water pipeline easement is described in the legal description section of the agreement with the State Coastal Conservancy, and identified as Parcel Two. This easement occurs along the eastern property line of the subject, and appears to benefit the parcel to the southeast of the subject (047-320-025). Additionally, the subject appears to benefit from a well on this same parcel that is described as Parcels Three, Four, and Five in the same agreement. No other easements, encroachments, or restrictions were noted or reported.
Ownership History / Sale History:
The subject is vested in the name of the Napa County Resource Conservation District, and has been under the same ownership for many years. No sales, listings, or offers of the subject property within the last three years were reported, discovered, or identified. The agreement with the State Coastal Conservancy prohibits any sale of the subject without the consent of the state.

Present Use:
The subject vineyard is used as an experimental demonstration vineyard for sustainable farming techniques. It is farmed with the help of hired labor and a vineyard management company, and the subject fruit is sold, with profits (if any) funding the Napa County Resource Conservation District.

Location and Access:
The subject is located in southwestern Napa County in the Los Carneros AVA, approximately 26 miles north-northeast of San Francisco. The subject has access off Duhig Road via a one lane shared gravel road. Duhig Road is a county-maintained two-lane paved road. Onsite vineyard access is via gravel and dirt roads.

Utilities:
Overhead electric power is developed at the subject eastern property line. Propane is delivered in the area. A private sewage disposal system would be required for a homesite. These utilities are typical for the area.

Water Resources:
The subject receives water from a well that is on the adjacent parcel to the southeast (Parcel 047-320-025). By agreement, the subject is allowed to use up to 9.5-acre feet from the well annually between March 1 and October 31. The depth of the well was not available, but the capacity reportedly is about 100 gpm. The well is reported to have issues with salinity, which can be harmful in vineyards. The ability or cost to treat the well water has not been established.

Additionally, the subject receives treated wastewater from the Sonoma County Water Agency District under an agreement dated September 11, 2018. Under the agreement, the subject is obligated to accept up to 7-acre feet of water annually, typically between May 1 and October 31, but additional water may be available at other times of the year. The district currently charges about $0.95 per 1,000 gallons (which is roughly equivalent to about $300 per acre-foot). The district is not obligated to deliver water if there is a shortage or other unforeseen events. Reportedly there have been periods when the district did not deliver water due to lack of rainfall that year.

Considering the reported issues with the well water salinity, and California’s ongoing drought conditions, the current water sources may not be adequate for the subject vineyard needs. A more reliable source may be needed, such as storage of the wastewater during the offseason, or treatment of the well water. However, the county has not indicated that wastewater will be made available during the offseason, and
reportedly they are looking into it, but no guarantees they will approve fall or winter distribution.

**Soil Analysis:**
The soil information used in this report is based on the United States Department of Agriculture Soil Survey of Sonoma County website. The soils map shows the soil type underlying the subject vineyard as Haire loam (0-2% slopes) with small portions of Cortina very gravelly loam (0-5% slopes) and Haire gravelly loam (0-9% slopes). Haire loam soil type is moderately well-drained, and is suitable for vineyard and residential development. Vineyards on this soil have average production and produce good quality fruit.

**Soils Map**

![Soil Map Image]

**Land Use Summary:**

<table>
<thead>
<tr>
<th>Block</th>
<th>Varietal</th>
<th>Acres</th>
<th>Year</th>
<th>Rootstock</th>
<th>Spacing</th>
<th>Irrigation</th>
<th>Frost</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Chardonnay</td>
<td>3.06</td>
<td>92-94</td>
<td>101-14</td>
<td>8x5</td>
<td>Drip</td>
<td>None</td>
<td>Average</td>
</tr>
<tr>
<td>B</td>
<td>Chardonnay</td>
<td>3.01</td>
<td>92-94</td>
<td>101-14</td>
<td>8x5</td>
<td>Drip</td>
<td>None</td>
<td>Average</td>
</tr>
<tr>
<td>C</td>
<td>Chardonnay</td>
<td>2.00</td>
<td>92-94</td>
<td>101-14</td>
<td>8x5</td>
<td>Drip</td>
<td>None</td>
<td>Average</td>
</tr>
<tr>
<td>D</td>
<td>Fallow</td>
<td>1.80</td>
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</tr>
<tr>
<td>E</td>
<td>Pinot Noir</td>
<td>0.70</td>
<td>92-94</td>
<td>1103P</td>
<td>8x5</td>
<td>Drip</td>
<td>None</td>
<td>Average</td>
</tr>
<tr>
<td>F</td>
<td>Chardonnay</td>
<td>1.75</td>
<td>2016</td>
<td>Schwarz</td>
<td>8x5</td>
<td>Drip</td>
<td>None</td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td>Total Vineyard Net Acres</td>
<td>10.52</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Blocks A-C+E-F)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plantable Land (Block D)</td>
<td>1.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Site &amp; Support</td>
<td>8.31</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Acres</td>
<td>20.63</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
The subject vineyard consists of two varietals: Chardonnay and Pinot Noir. There are 9.82 acres of Chardonnay and 0.7 acres of Pinot Noir totaling 10.52 acres. The vineyard is operated by the Napa County Resource Conservation District as an experimental demonstration vineyard for sustainable farming techniques. The vineyard was originally planted between 1992 and 1994, with Block F replanted in 2016 and Block D removed in 2019, and now fallow. The older blocks utilize a trellis system with some steel end posts, but primarily wood end posts with wood stakes every 3rd to 4th vine, a dripline, cordon support wire, and 4 movable fruiting wires. The vines are trained to unilateral cordon with some cane pruning. The newer block (F) utilizes an all-steel trellis system. The vineyard is drip irrigated, but not frost protected. Most of the vineyard (excluding block F) is nearing or at the end of its economic life, and has been a low producer. The subject fruit was not harvested in 2020, and the ownership reports that they don’t plan to harvest this year either. As such most of the vineyard is considered plantable land. Overall, the subject has approximately 1.75 acres considered viable vineyard (Block F), and 10.57 acres considered plantable (Blocks A-C+E = 8.77 acres + Block D = 1.8 acres).

The subject vineyard has been reported to be operated in a manner consistent with sustainability and farmed organically in practice; however, they have not sought an organic certification.

Production:
The subject vineyard has been a low producer with reported yields of about 1-1.5 tons/acre for the Chardonnay and the Pinot Noir. These values are significantly below typical yields for both of these varietals in the area. Block F was planted in 2016, but has been slow to reach maturity. The fruit was not harvested in 2020, reportedly primarily due to issues related to weather and smoke. Also, the owners don’t plan to harvest or sell the fruit this year.

Grape Pricing:
The Chardonnay had been selling to V. Sattui Winery through 2018, with the most recent price at $2,918/ton for the Chardonnay and $3,617/ton for the Pinot Noir. In 2019 the Chardonnay was going to Cakebread at $2,842/ton and the Pinot Noir to Leaf and Vine at $3,000/ton. These prices are at or near the district average for Chardonnay, and slightly above district average for Pinot Noir. The Napa County (District 4) historic grape prices from table 10 are shown in the second table for reference.

| Napa County (District 4) Historic Grape Price per Ton (Table 6): |
|------------------|------------------|------------------|------------------|------------------|------------------|
| Varietal         | 2016             | 2017             | 2018             | 2019             | 2020             |
| Chardonnay       | $2,615           | $2,741           | $2,841           | $2,741           | $2,841           |
| Pinot Noir       | $2,718           | $2,778           | $2,658           | $2,753           | $2,435           |

Cultural and Harvest Costs: The subject is farmed by Oak Knoll Vineyard Management with some ownership participation, and the reported costs are about $150,000 to $175,000 per year, which is about $11,000 to $13,000 per acre. These
costs are on the slightly higher end, but reasonable for the area. Napa County farming costs as reported by area growers and management companies vary widely and wildly, and can be as low as $4,000 to $6,000 per acre to as high as $20,000 per acre or more, and are influenced by quality control, topography, labor availability, and management costs among others.

**Additional Plantable Land:**
The subject blocks A-C and E are older, and although still planted, are considered plantable land due to age and limited production. Additionally, Block D was previously planted, and the vines were ripped out in 2019. This area is about 1.8 acres, and is considered plantable land.

**Site Improvements:**
The site improvements are minimal, and consist of the shared driveway, dirt/gravel vineyard roads, developed underground wastewater pipe and connection, as well as some fencing with gates.

**Zoning:**
The subject County parcel is zoned AW. The minimum lot size for AP zoning is 160 acres. The subject appears to be one legal non-conforming parcel totaling 20.63 acres. The land use is in line with the Napa County Municipal Code and Title 18 Zoning. Agriculture and residential uses are allowed. Additional uses are allowed subject to acquiring a use permit. The County defaults to the FEMA flood zoning as described in the following section.

**AW Agricultural Watershed District** - The AW district classification is intended to be applied in those areas of the county where the predominant use is agriculturally oriented, where watershed areas, reservoirs and floodplain tributaries are located, where development would adversely impact on all such uses, and where the protection of agriculture, watersheds and floodplain tributaries from fire, pollution and erosion is essential to the general health, safety and welfare. (Ord. 538 § 4, 1977: prior code § 12230.)

**Flood Hazard Information:**
FEMA, Panel numbers 06055C0601F and C6055C0603F, effective September 26, 2008 for Napa County shows that the eastern and southeastern border of the property is situated within the 100 year flood zone. Areas inside the 100-year flood zone have a 1% chance of annual flood. See Flood Map below.
Seismic Study Information:
The Alquist-Priolo Earthquake Fault Zoning Act was passed in 1972 to avoid damage to structures caused by earthquakes, especially in areas occupied by humans. The Alquist-Priolo earthquake fault zones are identified as about a one-quarter mile wide buffer surrounding active faults. Active faults are considered to be any fault that has ruptured within the last 11,000 years. The USGS indicates that the subject is not in an Alquist-Priolo geologic hazard zone. The nearest active fault (West Napa Fault Zone) is approximately 2 miles east of the subject. The fault map follows.
Environmental Risks:
Although the appraiser is not qualified to detect environmental hazards, the property site visit revealed no readily apparent spills, stains, unusual odors, evidence of buried fuel tanks, or other items of significant environmental concern that would prompt the typical person to request a third-party environmental site assessment. The client is advised to enlist the services of an environmental risk specialist relative to the environmental condition of the property or possible environmental concerns.