



TEXAS VINEYARD OFFERING - BLOCK II

For Accredited Investors Only

DISCLAIMER →

The information contained in this overview and the initial plan is considered confidential and is solely for the use of prospective investors to determine the level of interest in Vineyard Investing. While the information contained in this overview, plan, and model has been compiled from various sources, we believe it to be reliable based on the data used but neither Texas Vine Country, Hubbard Capital Group, Tracy Hubbard, Keeley Hubbard, Mason Moreland, or its representatives make any representation or warranties as to the accuracy or completeness herein.

All financial information and projections are provided for reference only and are based on assumptions relating to the general economy, market conditions, and other factors beyond our control. All prospective investors are encouraged to conduct their own independent due diligence investigation, review, financial projections, and consult with their legal, tax, and other professional advisors before making an investment decision. **This is a 506c offering for accredited investors only.**

AGENDA

Meet the Sponsor Team

Financial Overview

Wine Value Chain

Texas Wine Industry + Supply/Demand

Our Vision & Philosophy

Vineyard Location & Development

Selling the Grapes

Investor Return Model + Financials

Risk Mitigation + Sensitivity Analysis

Next Steps

BLOCK II VINEYARD OFFERING



A close-up photograph of a bunch of purple grapes on a vine. The grapes are in various stages of ripeness, with some being a deep purple and others still greenish. The background is a soft-focus bokeh of green leaves and light. A dark teal rectangular box is overlaid on the left side of the image, containing the text 'MEET THE SPONSORS' in a bold, yellow, sans-serif font.

MEET THE SPONSORS

MEET THE TEAM

Mason
Moreland



Tracy
Hubbard



Keeley
Hubbard



TRACY HUBBARD
Managing Partner



KEELEY HUBBARD
Managing Partner

TRACY HUBBARD is a real estate and agriculture investor and syndicator, professional Forex trader, and serial entrepreneur- having owned and operated six companies across various industries. In addition, he has 20 years of experience in the financial sector as professional commodities and Forex trader and investment fund manager, previously holding Series 3 and 43 licenses. Because of Tracy's extensive experience in the global interest rate and currency markets, he brings a unique advantage in understanding how global interest rates can affect cap rates and financing rates, giving him the edge to position his investors for the coming years.

Tracy's real estate experience began in the 1980s when he owned and operated over half a million square feet of industrial warehousing distribution facilities. He recognized the opportunity of income-producing real estate and utilized sale/lease-back strategies to purchase the real estate and operating companies. As Tracy has watched the financial markets evolve in recent years, he determined he needed to diversify himself and his investors by transitioning to opportunities in multifamily properties across the U.S. and Texas vineyards. Tracy is a former United States Marine, 6th generation Texan, and proud father of 4 children, and 2 grandsons. He has been married to his high school sweetheart Katie since 1977.

KEELEY HUBBARD is a real estate and agriculture investor and syndicator, as well as a sales coach for women business owners. Throughout her career, her primary focus has always been helping others achieve their financial life goals. Keeley's desire to help people started at a young age and continued through the years as she graduated from TCU and pursued a career in financial education. She spent 7 years in this industry as an Executive and her passion for people and skilled communication drove unprecedented growth.

As a Managing Partner of Hubbard Capital Group, Keeley is dually responsible for acquisitions and investor relations. Integrity, exceptional communication, and delivering results to investors are at the core of every decision she makes.



MASON MORELAND
Managing Partner

MASON MORELAND is a real estate investor and vineyard developer/operator responsible for growth, finance, and process improvement at Texas Vine Country (TVC). Several years into successfully investing in residential real estate with his family and an engaging career as a consultant, he still felt a strong calling back to his love for the land and began investigating agricultural investments. Mason's mission to find a niche ripe for disruption was complete when he found Texas vineyards. While Texas had an enormous appetite for locally-grown wine, it was still using traditional labor-intensive growing techniques, and there was limited application of advanced technology and methods from other growing regions. Just four years after this initial realization, TVC is now in the top-5 largest Texas vineyards by acreage (~6% of the total acreage in-state) and the only vineyard implementing modern High Wire trellising methods and using near-total mechanization of operations.

Mason's superpower is underwriting unique assets, and his love is problem-solving. His wife, an industrial engineer, has made him passionate about continuous improvement/Kaizen, streamlining, and modularity. As his wife puts it, he's "the best engineer that never was!" Mason has worked in residential real estate investing, oil and gas, and environmental consulting throughout his professional career. He is also a wildlife biologist and is an alumnus of Texas Tech University. Mason likes to spend his time with his growing family and doing anything that is challenging!



RETURN OVERVIEW

FINANCIAL HIGHLIGHTS

211-275%

Total Return
over 10 Years

21-28%

Average Annual
Cash-on-Cash

17-20%

Internal Rate of
Return

Tax Benefits
Pass Through
Losses + Cost
Segregation

Starts at 70/30
LP/GP Split
w/ Tiered Model

Accredited
Investors Only

\$75,000
Minimum
Investment

IRA, Solo 401k, &
QRP Funds
Accepted

INFINITE RETURNS: Years 11 - 20 @ 16% - 21% Per Year

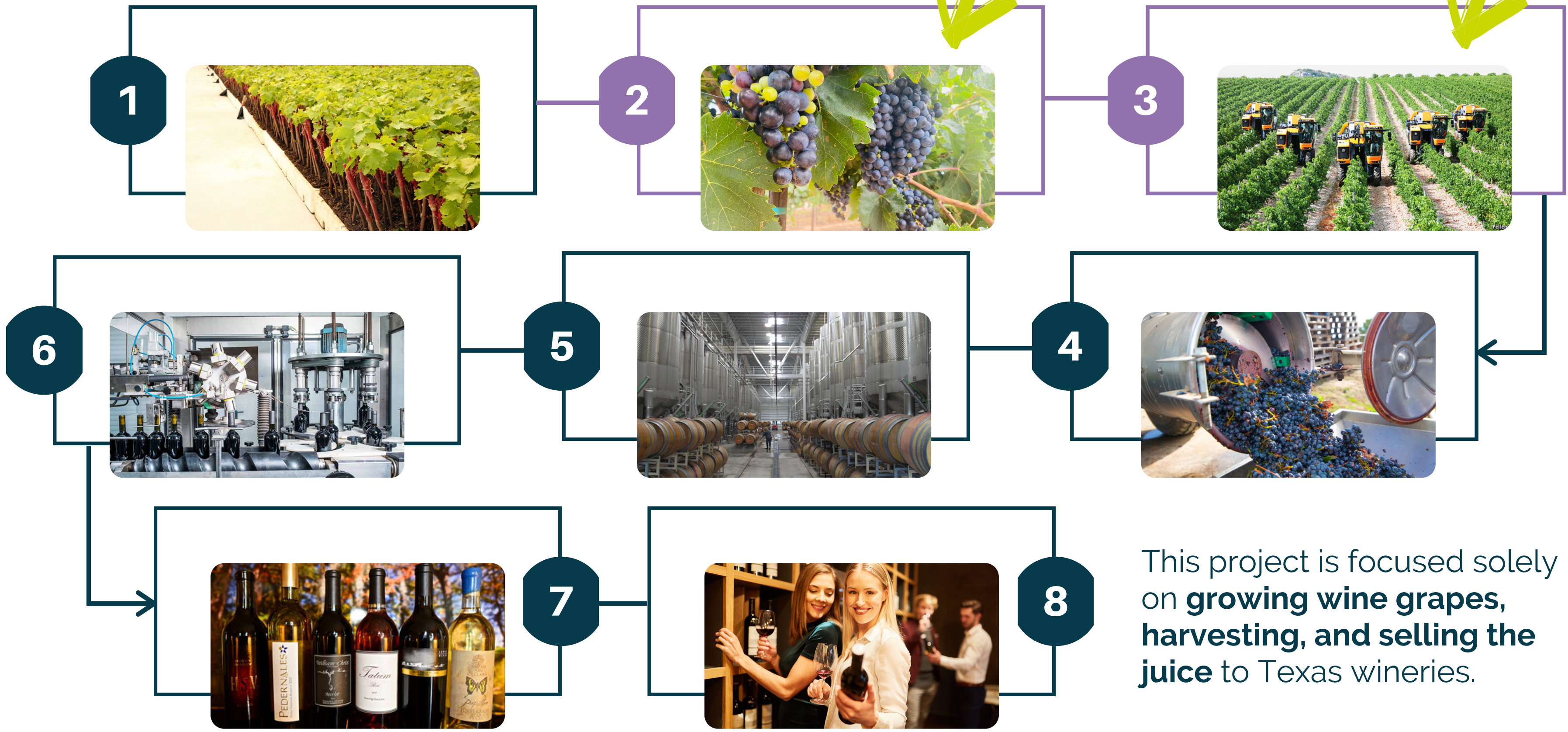
DISCLAIMER

This preliminary information package offers only limited descriptive material regarding a limited liability investment in Texas Vineyards. This summary does not purport to be complete and will be supplemented with additional information in a Private Placement Memorandum and at such time as it is requested, in writing, by interested investors. The use of this material is authorized only for those to who is was originally provided. This is for informational purposes only and it is not a solicitation or offering to the recipient.



WINE VALUE CHAIN

WINE VALUE CHAIN



This project is focused solely on **growing wine grapes, harvesting, and selling the juice** to Texas wineries.



TEXAS WINE INDUSTRY

TEXAS WINE STATS



Texas is currently the **5th largest wine grape growing state** in the U.S. with a total of approx 6K acres.



Texas wine industry growth continues to accelerate from **\$997M in 2005 to \$4.53B as of 2017** in annual wages.*



Total economic impact of the wine industry in Texas in 2022 was estimated at **\$20 Billion Dollars**.



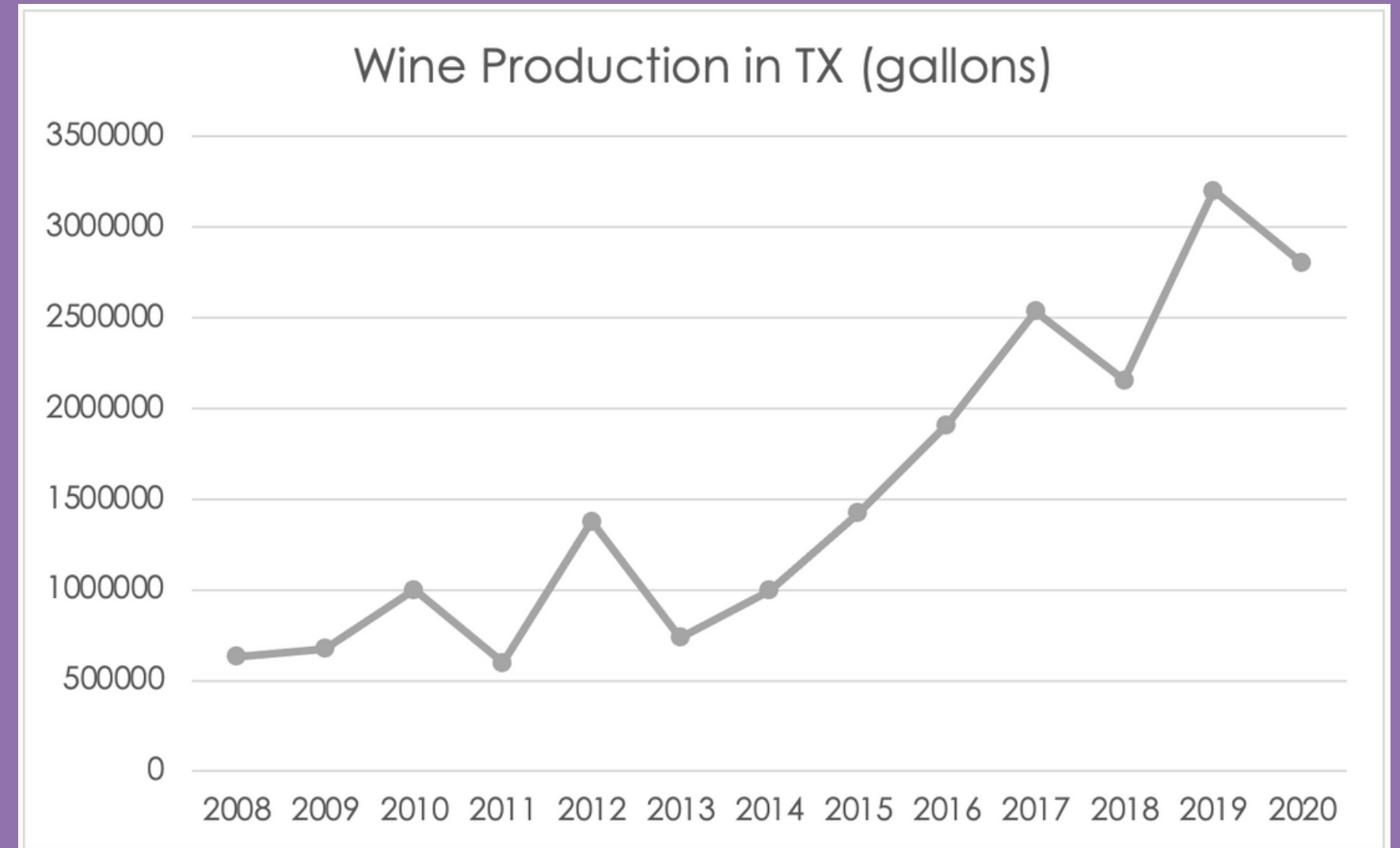
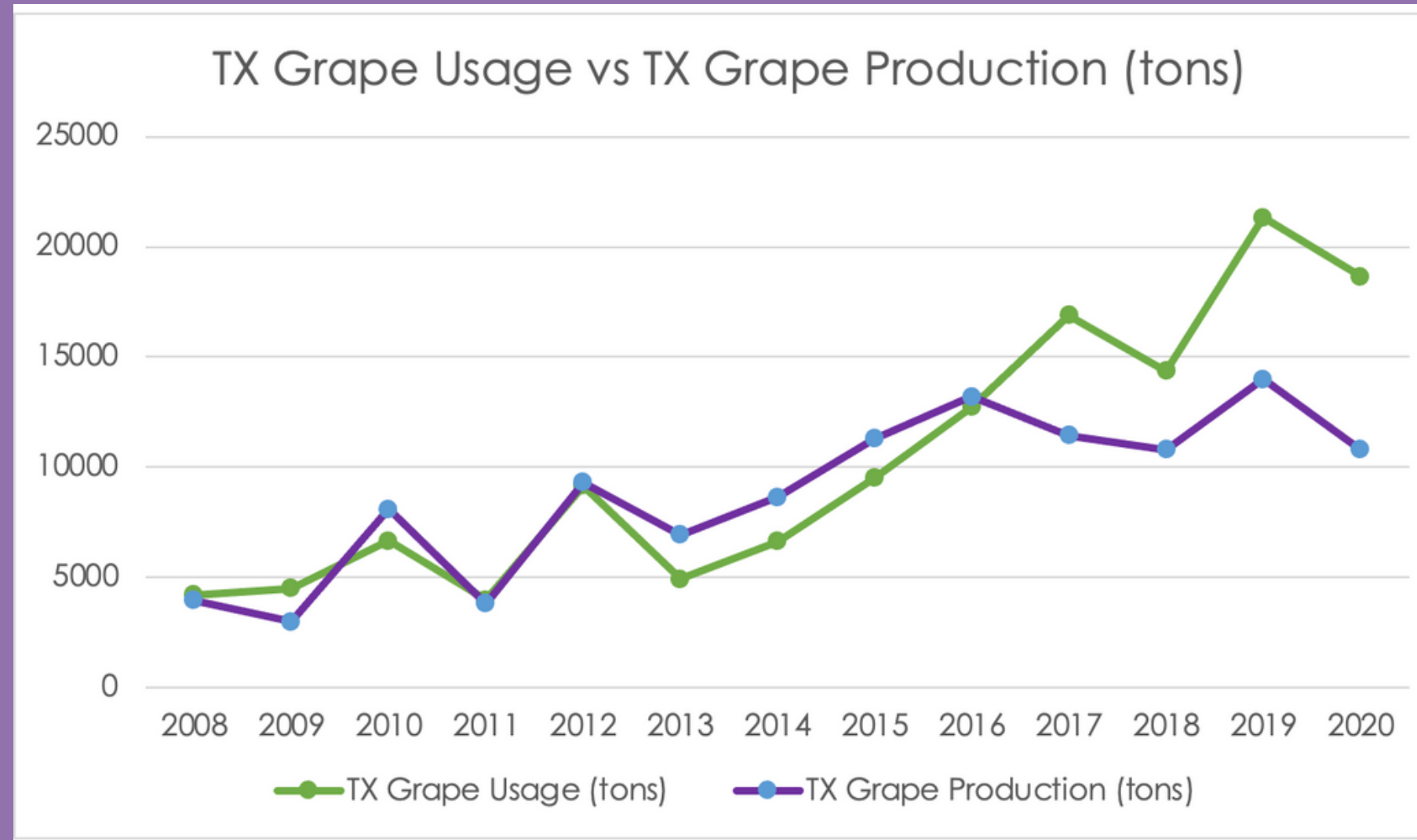
The number of **winery permits in Texas** has exploded from 113 in 2005 to 394 in 2017. **(249% increase)**



Different from other wine-producing states, **85% - 95% of all Texas wines are currently sold in-state** direct-to-consumer (DTC).



TEXAS WINE GROWTH



Wine production and demand continue to outpace the grape supply in Texas, creating an unprecedented opportunity to fill this void.

Wine production has been in a strong uptrend since 2013 and although Covid-19 shut down wineries for the majority of 2020, wine growth has continued as wineries reopened and new winery permits continue to increase.

The freeze that happened in 2021 wiped out about 2K acres in Central, South, and North Texas due to vines coming out of dormancy and into bud break in February/March vs. April/May where we grow in the High Plains AVA.

DEMOGRAPHIC SHIFT

Wine consumption is shifting from Baby Boomers (ages 54-74 & \$85K average annual salary) to also include Millennials (average salary is lower, **yet they make up 25.4% of the US population, 40% of the workforce, and they drink wine more frequently**).



The demand for a high-quality, low-price point Texas wine is increasing, and we are poised to dominate this demographic with a Texas-grape product.



OPPORTUNITY

As far back as 2008, there has been an incredible shortage of Texas vineyards.

Per Wes Marshall of Wines and Vines Analytics in a personal conversation with Steve Newsom, then-President of TWGGA and owner of Newsom Vineyards:



"All these wineries would prefer to be buying Texas grapes for their tier-one wines, and we're not even growing enough to fill that need...just to support the tier-one wines would take 5,000 or 6,000 acres. That doesn't even count the under-\$10 wines made by the big wineries like St. Genevieve, Llano Estacado, Fall Creek, and Messina Hof. If they wanted to buy Texas grapes, we'd probably need 12,000 acres."



TEXAS PRIDE

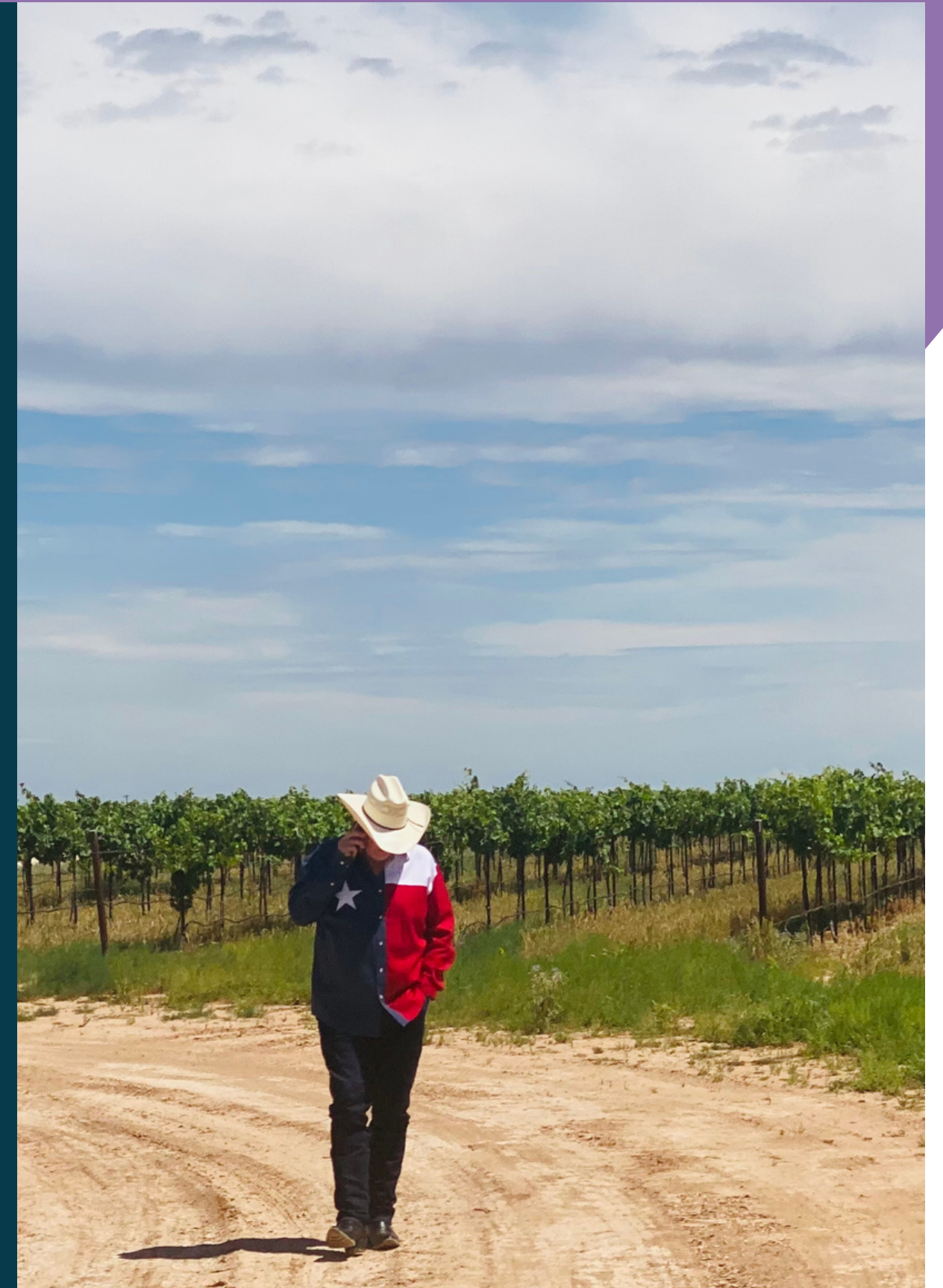
The pride Texans hold in their state is known worldwide, and the demand for Texas-made wine has always greatly exceeded the supply of Texas grapes.

Because of this void, Texas wines are made entirely or partially with juice shipped via truck and cargo ship from California, Washington, and Chile.

Under current law, as much as 25% of juice may be from out of state in a “Texas” labeled wine, although there has been a push to increase this to 100%. However, this measure was defeated due to a lack of sufficient Texas grape production.

.....

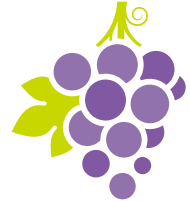
California juice carries high shipping and processing costs plus the stigma that it isn't “Texas.” Texas wineries cannot produce a great quality, lower price-point wine from Texas grapes due to a lack of supply and high grape prices.



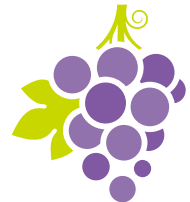
A close-up photograph of a bunch of purple grapes on a vine. The grapes are in various stages of ripeness, with some being a deep purple and others still greenish. The background is a soft-focus bokeh of green leaves and sunlight. A dark teal rectangular box is overlaid on the left side of the image, containing the text 'SUPPLY VS. DEMAND' in bright yellow, bold, sans-serif capital letters.

SUPPLY VS. DEMAND

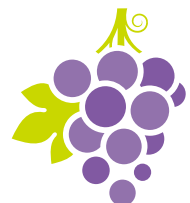
WHY TEXAS VINEYARDS



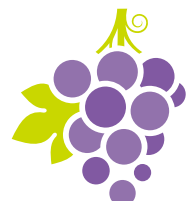
Since 2008, **large shortage of vineyards to meet the grape demand** from Texas wineries



Currently only ~6,000 acres of vineyards in Texas, producing ~14,000 tons of grape. The demand is ~28,000+ tons, **creating a supply gap of ~14,000+ tons of grapes (not including future market growth)**



Prime grape-growing climate in Texas High Plains AVA / **Inexpensive raw land costs** (\$2,500 per acre for raw land vs. \$15,000+ per acre in California)

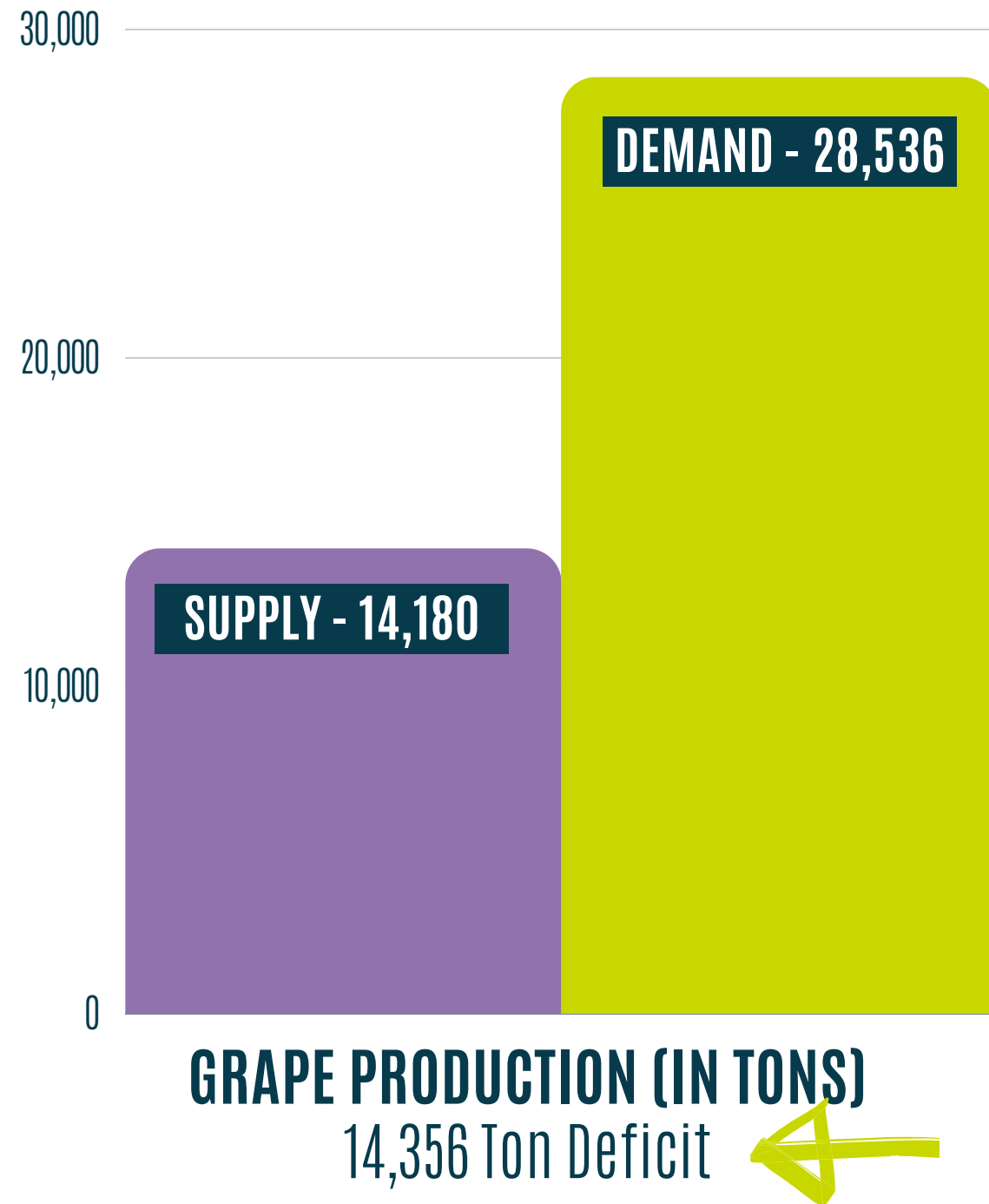


Additional grape demand in the central U.S. (east of the Rockies and west of the Mississippi River) - currently buying from California at a premium due to transportation costs.

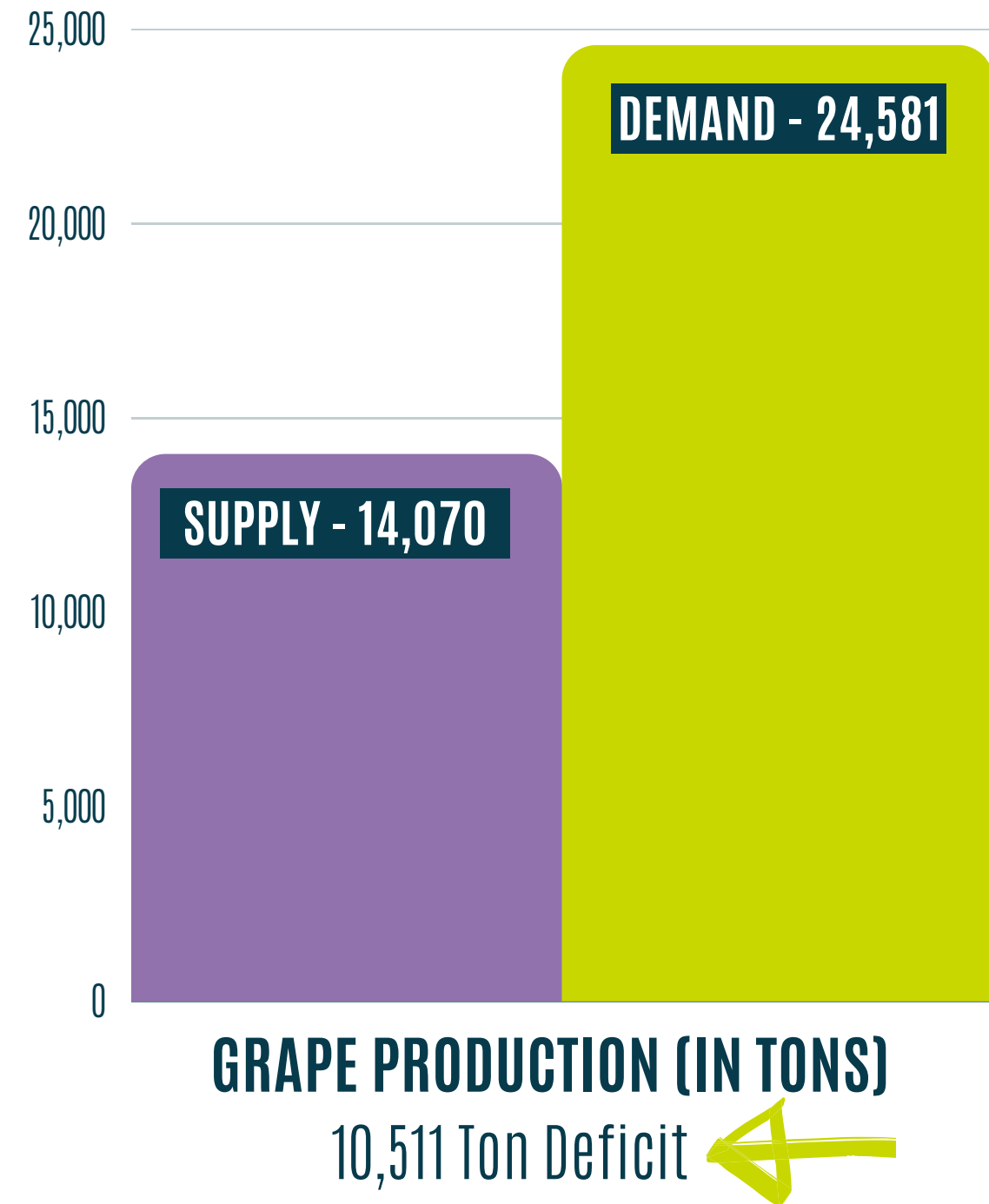


SUPPLY VS DEMAND

TEXAS



CENTRAL U.S.



*according to 2018 & 2019 stats

NO COMPETITION

Texas has an aging population of grape farmers (many who are also cotton farmers) that stick to what they know and what they've seen in how they operate their vineyards (VSP method).

Existing Texas vineyards simply don't produce enough fruit to keep up with the growing Texas wine demand.

Texas grape growers lag behind California and Washington by 10-20 years in implementing the high-wire trellising method and mechanization.

Transitioning their vineyards to high-wire trellising and mechanization requires expensive equipment and only makes sense financially when scaled through hundreds of acres.





OUR VISION & PHILOSOPHY

OUR VISION

We will provide superior Texas-grown wine grapes at a highly competitive price point that targets the expanding demographic of Texas wine drinkers.



OUR PHILOSOPHY

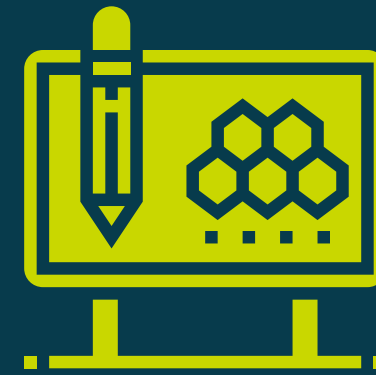
Our strategic plan implements proven approaches from successful California vineyards to produce high-quality grapes, at the highest responsible yields possible, for the least amount of overhead.



**Mechanization
of Vineyard
Operations**



**Economies of
Scale with 320
Acre Blocks**



**Scientific
Approach to
Fertility &
Management**

PROOF OF CONCEPT

Texas Vine Country (Lead Sponsor) owns one of the largest vineyards in Texas (Canted County Vineyards), and the ONLY vineyard in Texas operating like California (high-wire trellising & near full-mechanization).



TYPE OF GRAPES

The "sweet spot" opportunity is to produce bulk grapes for quality wine at a \$12 - \$15 price point.

Due to a 10-20 year lag in technology and outdated farming methods, Texas vineyards are currently unable to produce a quality "bulk juice" for a reasonably priced bottle of wine.

A quality California bottle of wine costs only \$12-\$15, while a similar Texas wine costs \$25 - \$50.

This increased price for Texas wine is due to low grape production per acre - **Texas vineyards are averaging 2.8 tons of grapes per acre with a breakeven cost of \$1,000 per ton, making it near impossible to compete with California bulk grapes.**



ECONOMIES OF SCALE

We are able to produce much higher yields with lower breakeven points compared to other Texas vineyards due to low overhead costs, mechanization, and high-wire trellising.



**OTHER
TEXAS
VINEYARDS**

12-15
Tons Per Acre

2-3
Tons Per Acre

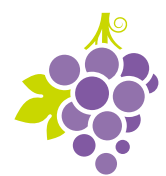


A close-up photograph of a bunch of purple grapes on a vine. The grapes are in various stages of ripeness, with some being a deep purple and others still greenish. The background is a soft-focus bokeh of green leaves and sunlight. A dark teal rectangular box is overlaid on the left side of the image, containing the text 'VINEYARD LOCATION' in a bold, yellow, sans-serif font. The overall composition is clean and modern, with a purple geometric shape in the bottom-left corner.

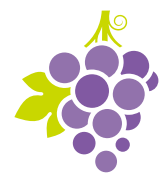
VINEYARD LOCATION

LOCATION

High Plains AVA - American Viticultural Area



Optimal Growing Conditions & Most similar to Central Valley in California



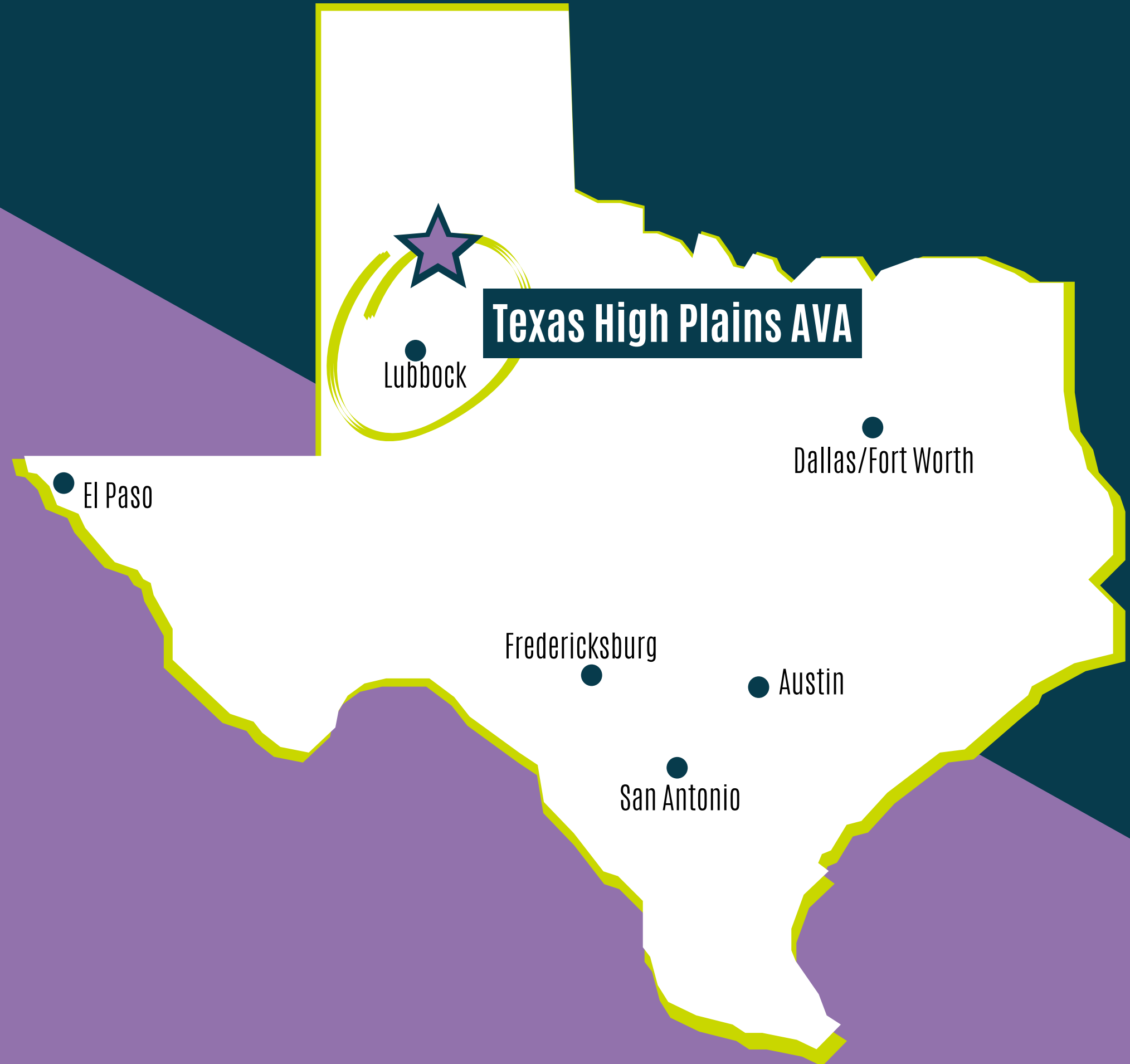
Cool Nights & Hot Days - Hot Days Allow More Varietals of Grapes



Very Few Cloudy Days and Low Humidity / Less Fungal Issues



Long Growing Seasons & Cold Winters Are Advantage - Kills Off Insects & Disease





VINEYARD DEVELOPMENT

OPERATIONAL PLAN

- Each vineyard will cover **320+ acres** with ~290 of those acres plantable, remaining acreage for barns, equipment, & turn rows.
- **We'll be purchasing an additional 320+ acres for the purpose of locking in land prices. This acreage will be sold to Block III and generate earlier investor returns.**
- **Consultants and viticulture specialists from Texas & California** will optimize grape variety placement & block design, soil amendment regimes, irrigation design and optimization, and long-term planning for the highest possible yields and quality.
- Planting and operating a vineyard requires **specific infrastructure** from the onset with additional equipment purchases as necessary.
 - Irrigation System, Trellis System, Tractor & Implements, Pellenc Tractor, Grapevines



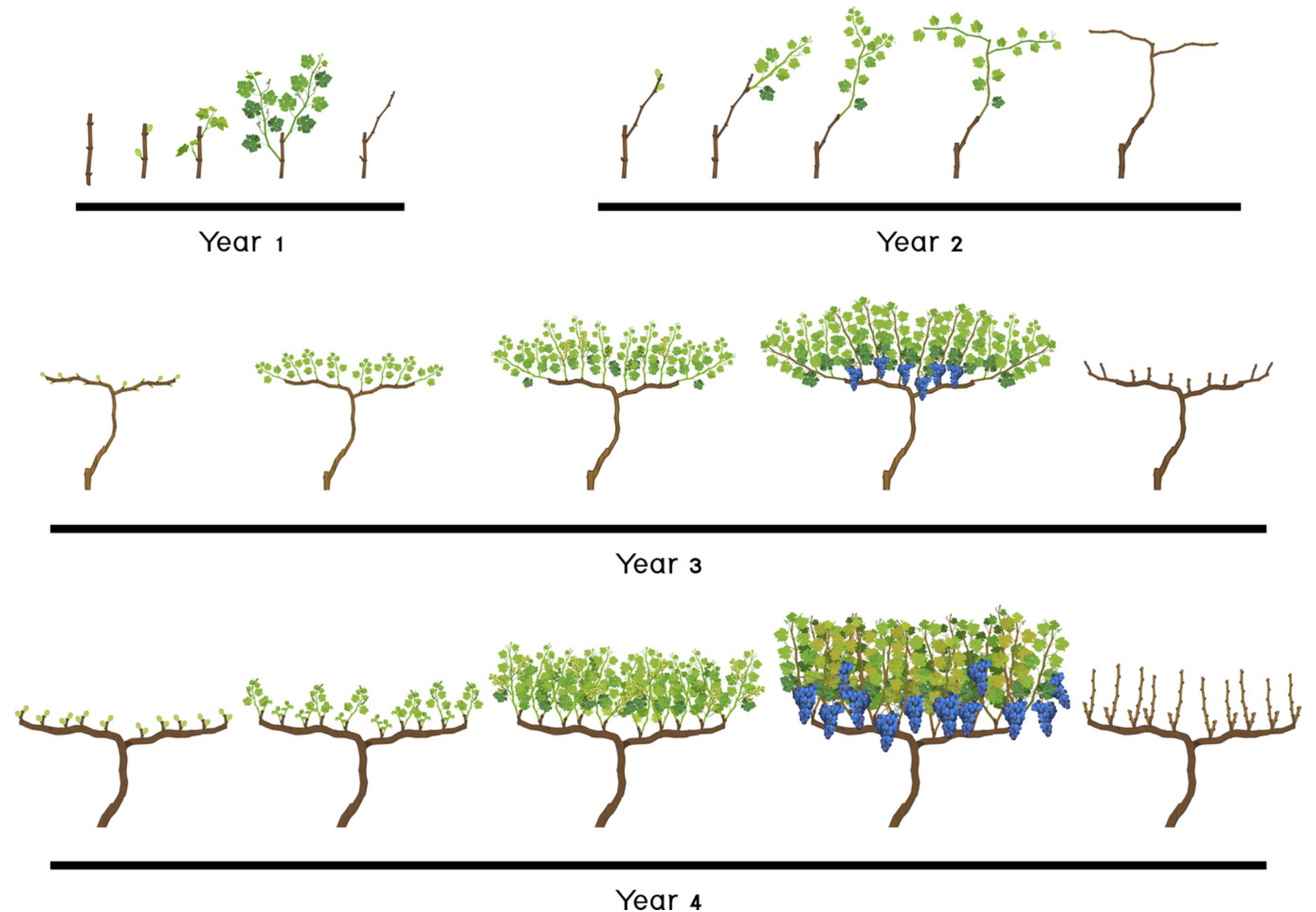
GRAPEVINE GROWTH TIMELINE

GRAPE SEASON TIMELINE

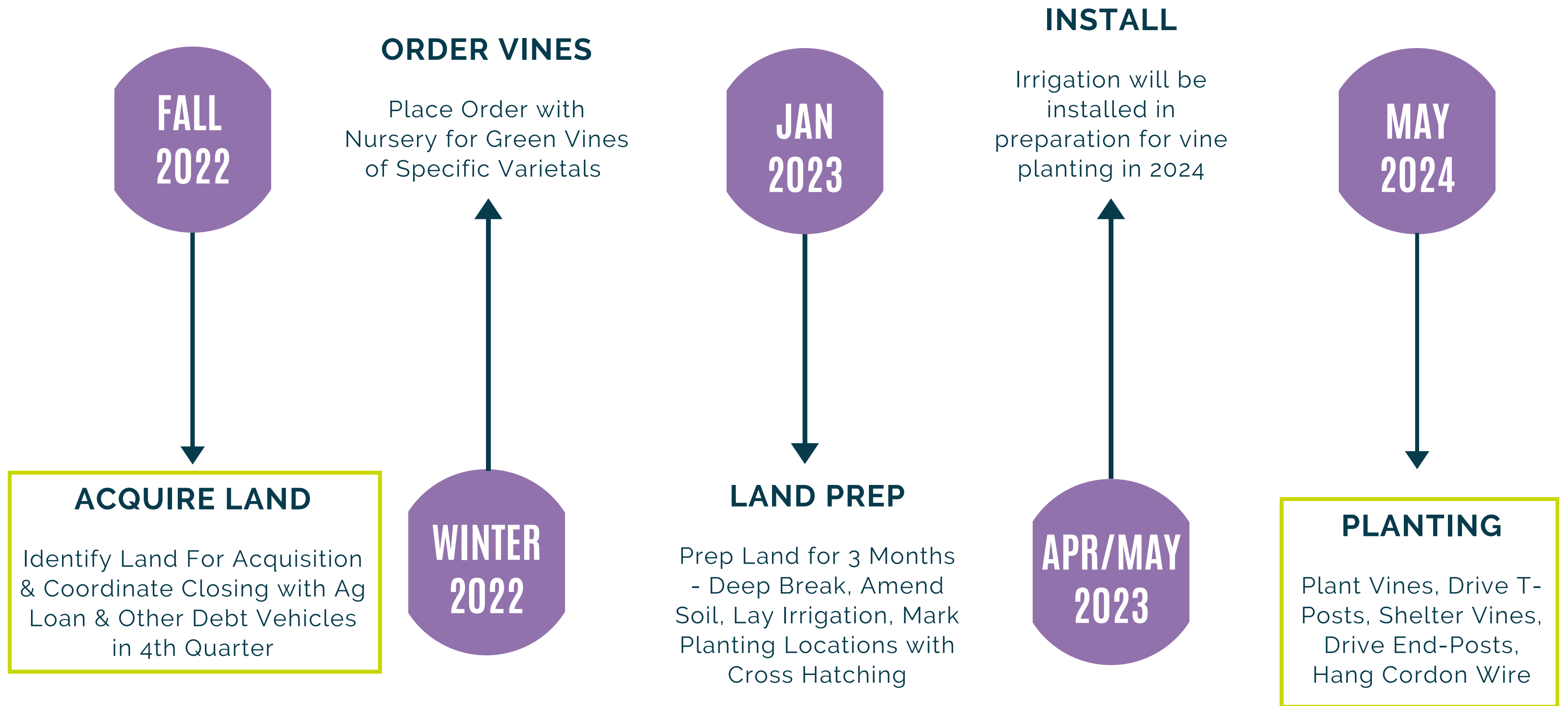
- Plant vines in early May & before end of July
- Vines are dormant October - March
- Bud break begins in April
- Harvest in July/August for white grapes & August/September for red grapes

TIMELINE TO FULL HARVEST

- Year 1-3 Vine Growth
- Year 3 - Small Harvest
- Year 4 - 80% Harvest
- Year 5 - Full Harvest
- Strategically replant vines between years 20- 25 as yields begin to decline



VINEYARD DEVELOPMENT TIMELINE



OUR PHILOSOPHY

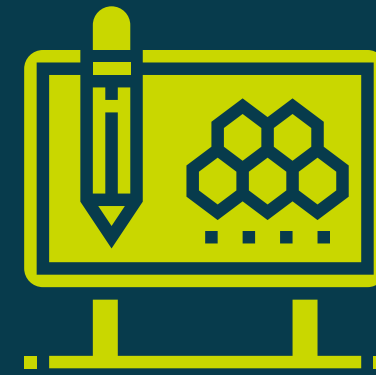
Our strategic plan implements proven approaches from successful California vineyards to produce high-quality grapes, at the highest responsible yields possible, for the least amount of overhead.



**Mechanization
of Vineyard
Operations**



**Economies of
Scale with 320
Acre Blocks**



**Scientific
Approach to
Fertility &
Management**

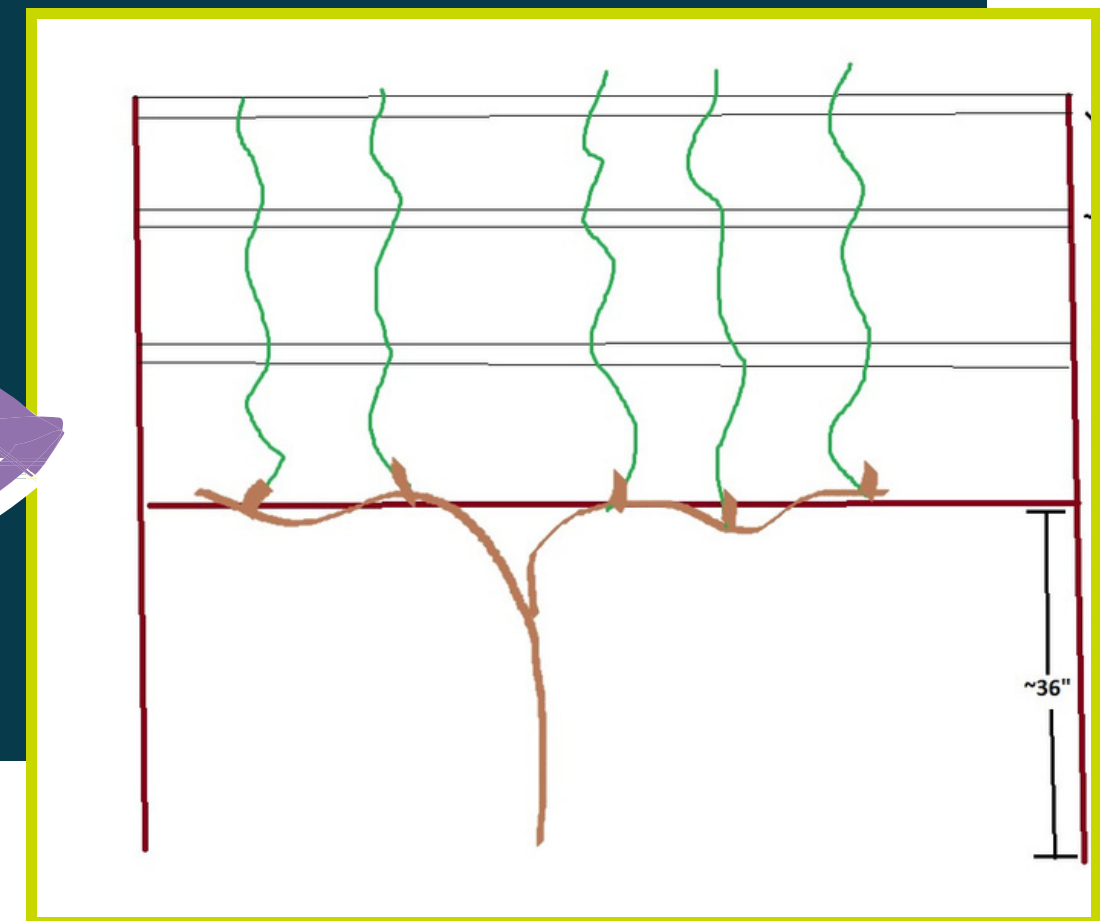
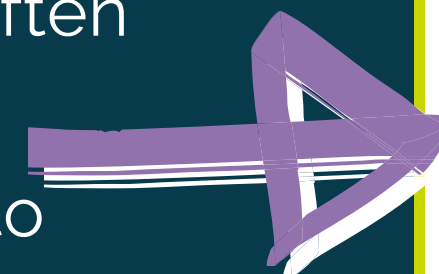
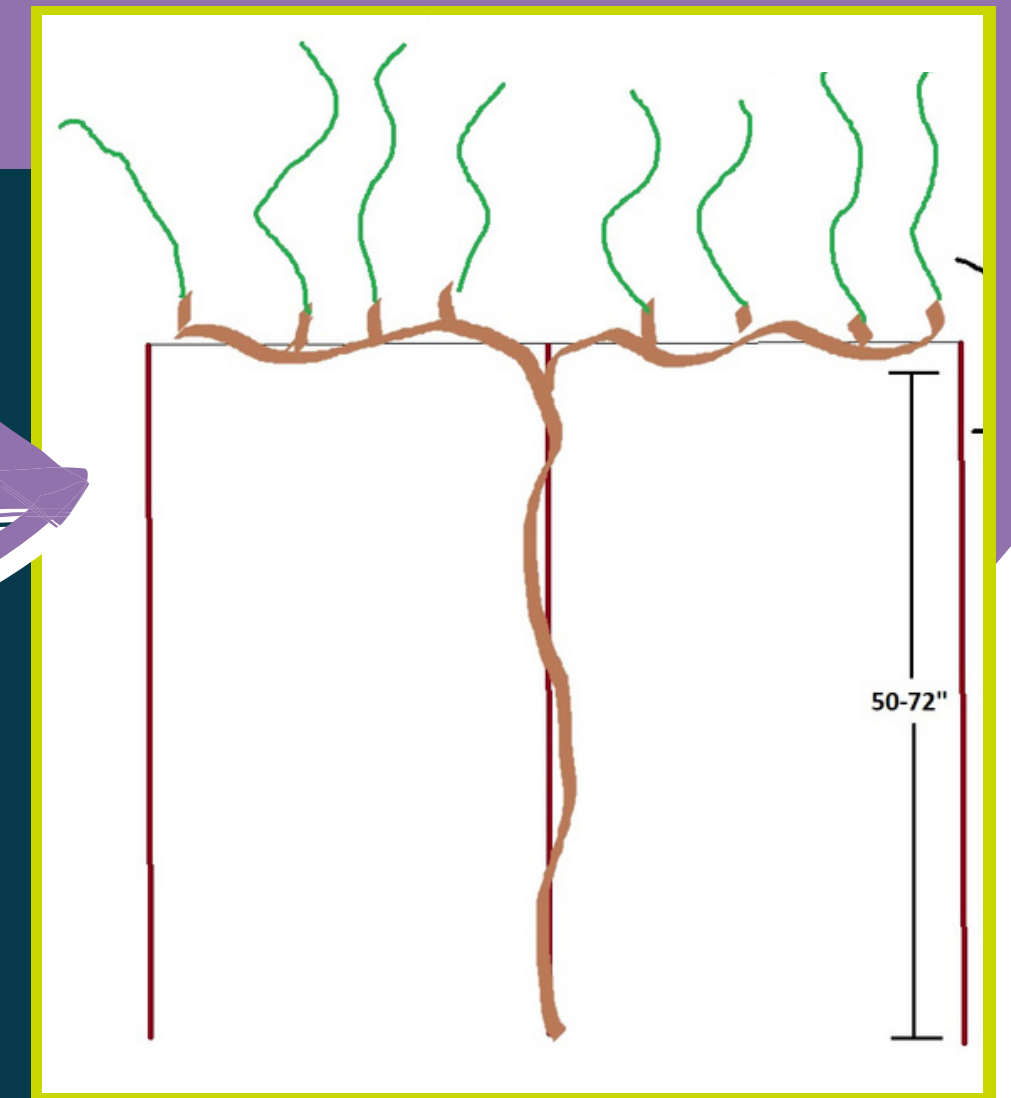
HIGH-WIRE TRELLISING

ADVANTAGES OF HIGH-WIRE

- Can be pruned 100% mechanically - reducing operational costs & increasing response time to make changes as a result of data and climate conditions
- Shoots grow upwards then "sprawl" out, making an umbrella-like canopy, providing increased access to airflow, sunlight, and fungicide spray - allowing for higher quality grapes at higher tonnages

DISADVANTAGES OF VSP (VERTICAL SHOOT POSITION)

- VSP Method has a much slower response time to data due to immense hand labor required to make most changes -often taking weeks to months.
- VSP carries risk of producing lower-quality grapes due to shading and inability to effectively spray fungicides.

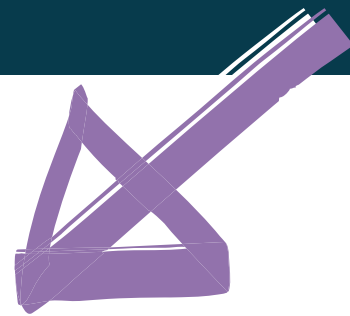


MECHANIZATION



MECHANIZATION VS. HAND-LABOR

VSP vineyards require immense hand-labor to make changes and adjust to data and climate conditions. This labor can take weeks to months to complete and dramatically increases costs and reduces profit margins.



We are able to rapidly respond to data and climate conditions because our vineyards are completely mechanized.



SCIENTIFIC APPROACH

- Our "**Balanced Vineyard Management**" approach prevents the "boom/bust" cycle of inconsistent yields and grape quality.
- This scientific/data-driven approach of balancing inputs (sunlight, water, nutrients) encourages vines to **produce consistent year-over-year crop loads of the highest quality grapes at the highest tonnage/acre** before a quality decline occurs.
- **Primary Inputs -**
 - Sun - Canopy Management
 - Water - Irrigation Management
 - Nutrients - Frequently Evaluate Needs Through Tissue & Scouting



Hedging to Control Canopy Size & Shape for Optimum Vine Balance & Fruit Quality



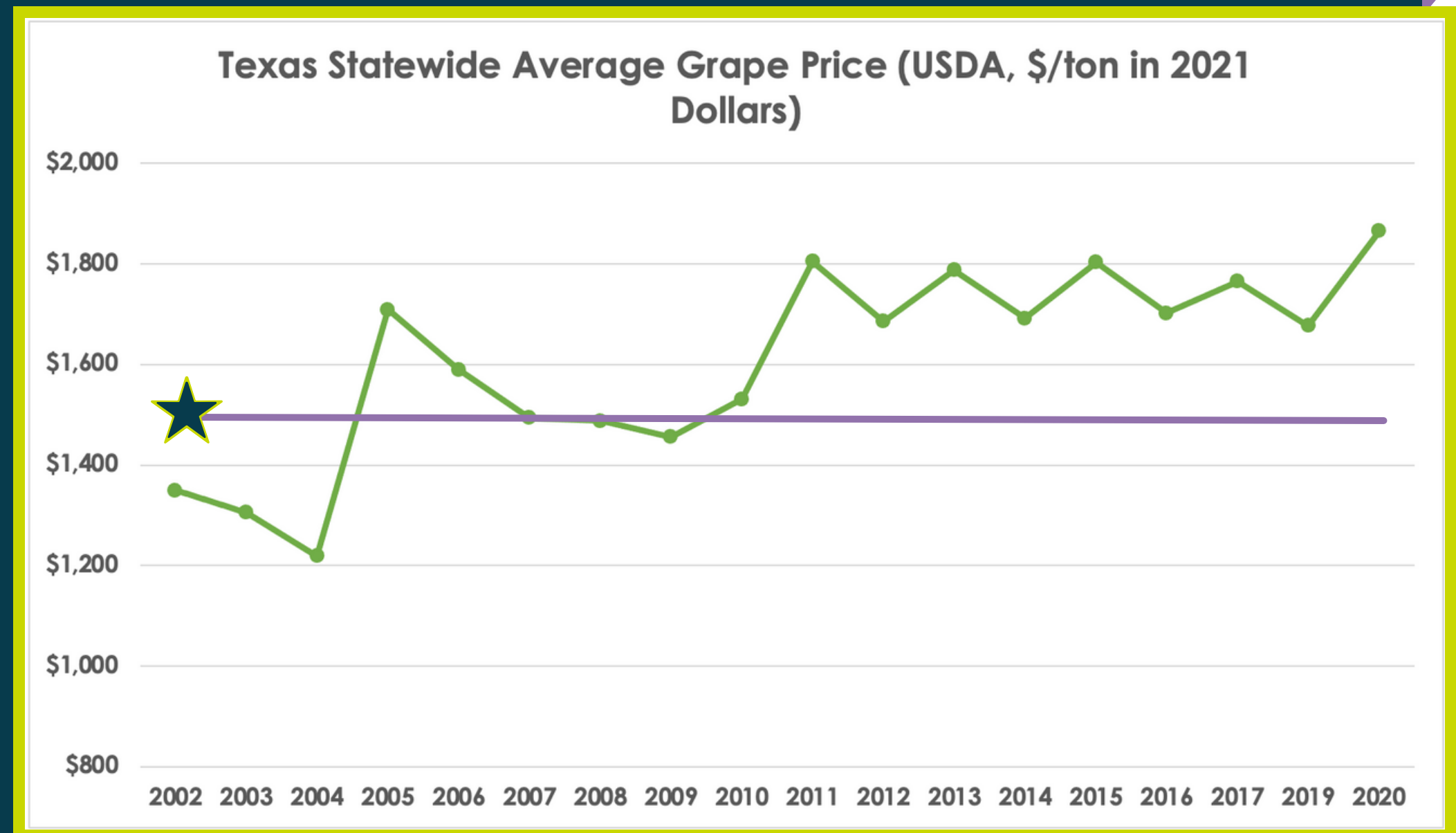
SELLING THE GRAPES

GRAPE PRICE TRENDS + MARKETING

- Grape prices have been above \$1,500/ton since 2005 and **well above \$1,600/ton for the last decade.**
- Our **pro forma conservatively estimates grape prices at \$1,500 per ton** + we've included an \$1,800/ton scenario as prices continue to climb.

We use multiple channels to source buyers & pre-sell product:

- Existing Industry Relationships
- Industry Conferences
- Winery Visits
- Vineyard Fly-Ins
- Social Media & Online Presence






INVESTOR RETURN MODEL

INVESTOR RETURN MODEL

Return Model Based on - **\$1,500/Ton Grape Sales Price and \$100K Investment** (1.43% Equity)

| Total Return - 211 % COC Average - 21 % IRR - 17 %  | TIER 1 - LP/GP Split - 70/30 | | | | | | | TIER 2 - LP/GP Split - 50/50 | | | |
|--|--|---------|--------|---------|----------|----------|----------|------------------------------|---|----------|------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 - Refinance - | Year 9 | Year 10 | TOTAL |
| Annual Cash-on-Cash (%) | - | 6.3% | - | 3.3% | 33.0% | 32.1% | 29.9% | 22.2% | 15.9% | 15.9% | |
| Annual Cash-on-Cash (\$) | \$0 | \$6,300 | \$0 | \$3,300 | \$33,000 | \$32,100 | \$29,900 | \$22,200 | \$15,900 | \$15,900 | \$158,600 |
| Returns Above Initial Capital Investment from Refinance | | | | | | | | \$52,600 | | | \$52,600 |
| Return of Capital at Refinance | | | | | | | | \$100,000 | | | |
| TOTAL | This Total Includes Year 8 COC, Refinance Profits, and Return of Capital → | | | | | | | \$174,800 | This Total Includes All COC and Refinance Profits → | | \$211,200 |
| Total Distributions over 10 Years (Cash-on-Cash + Initial Investment) | | | | | | | | | | | \$311,200 |

NOTE 1: Infinite Returns after Year 8 at 15.9% per year for the life of the investment in the vineyard. / Years 11 - 23 are projected to generate an additional \$206,700 (15.9% Per Year)

NOTE 2: By end of Year 7, pro forma returns @ 104.6% / \$104,600.


NOTE 3: Year 1 begins in January of 2023

NOTE 4: Replant Contingency Fund worth \$5.3M @ Year 20 from Annual Profit Hold-Back

NOTE 5: All returns are net of development fee + asset management fee.

If we decide to not refinance in Year 8, pro forma returns are 21.8% per year, starting in Year 8, for the life of the vineyard.

SENSITIVITY ANALYSIS

| | | |
|-------------------------------|--|---------|
| Price of Grapes \$ Per Ton |  \$1,500 | \$1,800 |
| Projected Total Return % | 211% | 275% |
| Projected Cash-on-Cash | 21% | 28% |
| Projected IRR | 17% | 21% |


The **price of grapes** will range from **\$1,000-\$2,000+** depending on the varietal.

TVC (Texas Vine Country - Lead Sponsor) is currently averaging \$1,400+ per ton for the entire vineyard (across all varietals)

The average price of grapes has been **above *\$1,500/ton in Texas since 2005 and above \$1,600/ton for over a decade.**

INVESTOR RETURN MODEL

Return Model Based on - **\$1,800/Ton Grape Sales Price and \$100K Investment** (1.43% Equity)

| Total Return - 275 % COC Average - 28 % IRR - 21%  | TIER 1 - LP/GP Split - 70/30 | | | | | | | TIER 2 - LP/GP Split - 50/50 | | | |
|---|--|---------|--------|---------|----------|----------|----------|------------------------------|---|----------|------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 - Refinance - | Year 9 | Year 10 | TOTAL |
| Annual Cash-on-Cash (%) | - | 6.3% | - | 7.0% | 42.2% | 41.1% | 30.0% | 28.5% | 19.7% | 19.7% | |
| Annual Cash-on-Cash (\$) | \$0 | \$6,300 | \$0 | \$7,000 | \$42,200 | \$41,100 | \$30,000 | \$28,500 | \$19,700 | \$19,700 | \$194,500 |
| Returns Above Initial Capital Investment from Refinance | | | | | | | | \$80,700 | | | \$80,700 |
| Return of Capital at Refinance | | | | | | | | \$100,000 | | | |
| TOTAL | This Total Includes Year 8 COC, Refinance Profits, and Return of Capital → | | | | | | | \$209,200 | This Total Includes All COC and Refinance Profits → | | \$275,200 |
| Total Distributions over 10 Years (Cash-on-Cash + Initial Investment) | | | | | | | | | | | \$375,200 |

NOTE 1: Infinite Returns after Year 8 at 19.7% per year for the life of the investment in the vineyard. / Years 11 - 23 are projected to generate an additional \$256,100 (19.7% Per Year)

NOTE 2: By end of Year 7, pro forma returns @ 126.6% / \$12,600.

NOTE 3: Year 1 begins in January of 2023

NOTE 4: Replant Contingency Fund worth \$6.7M @ Year 20 from Annual Profit Hold-Back

NOTE 5: All returns are net of development fee + asset management fee.

If we decide to not refinance in Year 8, pro forma returns are 28% per year, starting in Year 8, for the life of the vineyard.

TAX BENEFITS & DISTRIBUTIONS



TAX BENEFITS

We will run cost-segregation studies on the Vineyard in **Year 1 (2023)** and **anticipate total tax benefits at 68%+ & Year 1 Bonus at 42%+.** Investors will **also receive pass-through losses** for operational expenses as the vineyard is being built. **Possible additional tax benefits from depreciating the AVA** - more info to come.



DISTRIBUTIONS

With the exception of the land sale in Year 2, **distributions will happen once per year after harvest (starting in Years 4+).** Depending on the timing of completing harvest for all of the varietals, we anticipate sending the annual investor distribution in the month of November.



INVESTOR COMMUNICATION

Investors will gain access to a **monthly webinar series called "Through the Grapevine"** where you'll be updated on your Vineyard block's progress, hear exciting news and updates from the wine industry, and build your agriculture knowledge as we teach you about the wine grape business in real time.

TAX BENEFIT MODEL

| Total Return - 211 % COC Average - 21 % IRR - 17 %  | TIER 1 - LP/GP Split - 70/30 | | | | | | | TIER 2 - LP/GP Split - 50/50 | | | |
|--|------------------------------|---------|----------|---------|----------|----------|----------|------------------------------|----------|----------|-----------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 - Refinance - | Year 9 | Year 10 | TOTAL |
| Annual Cash-on-Cash Returns | \$0 | \$6,300 | \$0 | \$3,300 | \$33,000 | \$32,100 | \$29,900 | \$174,800 | \$15,900 | \$15,900 | \$311,200 |
| Estimated <u>Ordinary Loss/Gain</u> Reported on K1 | -\$42,402 | \$1,092 | -\$7,852 | \$800 | \$30,720 | \$29,877 | \$28,253 | \$14,987 | \$15,306 | \$15,919 | \$86,700 |
| Estimated <u>Long Term Capital Gain</u> Reported on K1 | - | - | - | - | - | - | \$4,553 | \$173,520 | \$15,896 | \$15,896 | \$209,866 |

NOTE 1: This tax benefit model is built through Year 10 - returns are projected to continue at similar pace through Year ~20-25

NOTE 2: Year 1 begins in January of 2023

NOTE 3: This tax benefit model is built based on a refinance in Year 8.

We are not CPAs and cannot give you professional tax advice. Please consult a professional for your personal tax questions.

Return Model Based on - **\$1,500/Ton**
Grape Sales Price and \$100K
Investment (1.43% Equity)



FINANCING

FINANCIALS

TOTAL PROJECT SIZE: ~\$9,000,000

LENDING: Ag Debt with ~65% Leverage and 6.6% Pro Forma Interest Rate, 2 Years Interest Only (Recourse Debt for Texas Legacy Vines, not Limited Partners)

MORTGAGE INCLUDES: Land Purchase, Land Prep, Trellis, Irrigation, Vines Purchase & Planting, Vineyard Establishment Costs (~\$750K of Equipment Financed on Separate Equipment Loan)

REFINANCE MODEL: Year 8 with 8% Pro Forma Interest Rate

LAND STRATEGY: Purchase ~640+ acres in 2022 / Plant 290 acres in 2023 for Block #2 / Sell remaining 320 acres to Block #3 in 2024



LOAN FACTS & PROJECT VALUE

| | |
|---|--------------|
| Down Payment - 35% (Less Equip, closing costs, earnest money) | \$2,594,799 |
| Pellenc Down Payment - 35% | \$192,500.00 |
| Misc. Equip Down Payment (Vendor Debt) - 0% 48 Months/SAC | \$0.00 |
| Mortgage (Less Equip Mortgages) | \$4,818,912 |
| Mortgage Term | 15 Years |
| Interest Rate - Prime +2.5% | 6.60% |
| Interest Only - Up to 3 years | 2 Years |
| Loan to Cost | 65% |
| Pellenc Mortgage | \$357,500 |
| Pellenc Term | 5 Years |
| Pellenc Interest Rate | 5.60% |
| Pellenc Loan to Cost | 65% |



| | | |
|--|----|--------------------|
| Land Purchase (less closing and earnest) | \$ | 1,120,000 |
| Land Purchase - Block III | \$ | 896,000 |
| Land Closing Costs | \$ | 40,000 |
| Land Prep & Infrastructure | \$ | 285,714 |
| Trellis (T-Posts, Cordon Wire, etc) | \$ | 3,414,243 |
| Irrigation | \$ | 535,196 |
| Vines Purchase | \$ | 862,872 |
| Vine Planting | \$ | 95,715 |
| Vineyard Establishment Costs | \$ | 1,099,970 |
| Viticulture Tractor (Pellenc) | \$ | 550,000 |
| Misc Equipment | \$ | 195,500 |
| Total Project Value | | \$9,095,210 |

USE OF FUNDS

| CATEGORY | AMOUNT |
|---|------------------|
| Earnest Money & Closing Costs | 30,000 |
| Legal Fees | 20,000 |
| Due Dilligence Costs | 10,000 |
| Long Term Debt Down Payment (Land + Block II Operation) | 2,594,798 |
| Block III Land Down Payment | 179,200 |
| Operating Expenses (Years 1-3) | |
| Tractors/Implements Down Payment (Pellenc & VMECH) | 192,500 |
| Vineyard Management Costs (Years 1-3) | 673,449 |
| Pre-Production Debt Service Fund (Years 1-3) | 1,688,831 |
| Property Tax & Insurance (Years 1-3) | 390,693 |
| Miscellaneous | |
| Asset Management Fee (Years 1-3) | 450,000 |
| Development Fee @ 5% | 454,760 |
| Contingency Fund | 50,000 |
| Total Equity Needed | 6,734,231 |
| Target Raise | 7,000,000 |
| Overcapitalization @ Target Raise | 265,769 |



REFINANCE MODEL

| | \$1500/Ton | \$1800/Ton |
|---------------------------------|--------------|--------------|
| Loan Terms | | |
| Year Refinanced | 8 | 8 |
| New Loan Rate | 8.00% | 8.00% |
| New Loan Term | 15 | 15 |
| New Loan LTV | 70.00% | 70.00% |
| DCF Valuation on Refi | | |
| Period to be considered | 12 | 12 |
| Discount Rate | 10.00% | 10.00% |
| Valuation | \$27,243,868 | \$33,770,499 |
| Loan Proceeds | | |
| Total Cash-Out | \$15,954,480 | \$20,523,122 |
| New Annual Debt Service | \$1,525,658 | \$1,891,150 |
| New Contingency Holdback % | 10.00% | 10.00% |
| New Yearly Contingency Holdback | \$247,274 | \$306,512 |
| New Annual Distributable Cash | \$2,225,468 | \$2,758,609 |



ASSUMPTIONS



REFINANCE INTEREST RATE

Conservative Underwriting
With a **6.6% Pro Forma
Interest rate and 8% For
Refinance**



MATERIALS COST

**Assuming a 1.75X Increase in
the Cost of Materials**
Compared to 2021 Prices (i.e.
Steel, Vines, Fuel, Fertilizer,
Seed for Cover Crops, etc.)



CONTINGENCY FUND

**Structured Hold-Back of
Profits** into Contingency
Fund - \$5.3M - \$6.7M in
Funds By Year 20 of the
Project



RISK MITIGATION

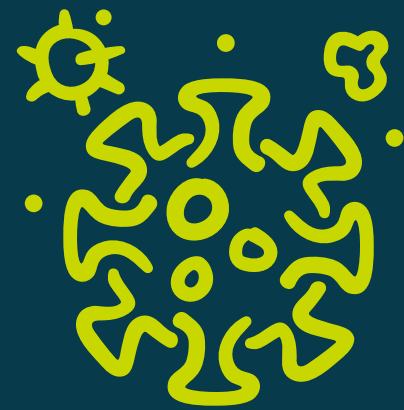
RISK MITIGATION

MULTI-PERIL CROP INSURANCE provides overarching protection for all of the below risks, shielding the vineyard from yield reductions and crop losses (**covers 75% of the average yield at the contract price**).

This cost is included in our pro forma at a \$200K - \$600K annual premium depending on the age of the vineyard and size of the projected harvest.



WEATHER



DISEASE



INSECTS

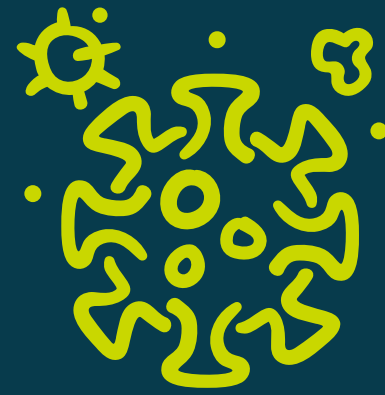
WEATHER



- **FROST/COLD** - Strategic mapping of land elevation / We select varieties that have later bud break and are quick to go into dormancy to avoid damage from late or early frosts / High-wire trellising systems suffer less damage vs VSP / Farming practices such as no fertilizer post-harvest so vines quickly go dormant
- **HAIL** - Growing a large umbrella-shaped canopy helps protect growing grapes from damage from pea-sized hail
- **EXTREME HIGH HEAT** - Extreme summer temperatures can accelerate harvest, mitigate this risk through machine harvesting in early hours i.e. @ 4 am
- **FIRE** - As most locations are largely or entirely surrounded by tilled row cropland, grassfire risk is very uncommon in the High Plains AVA and is further mitigated by the natural firebreaks created by vineyard turn rows and county roads.



DISEASE



FUNGAL DISEASES MITIGATED BY

- High Plains AVA climate - dry, windy, low humidity, little cloud cover
- Canopy Management - maintaining an open and airy canopy)
- Regular fungicide spraying regime, and regular scouting for signs of disease

PIERCE'S DISEASE MITIGATED BY

- Pierce's disease is nearly a non-factor in the High Plains AVA due to the extremely low winter temperatures
- Also mitigated by regular insecticidal sprays and not planting attractant plant species nearby



INSECTS



----- CANE BORER, CUTWORMS, ETC. MITIGATED BY

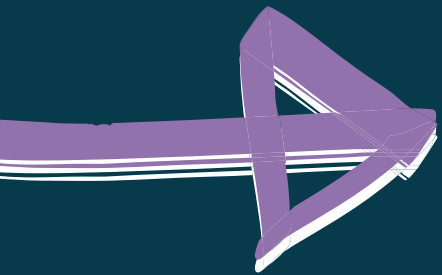
- Regular vineyard scouting for damage / cold winter temperatures keep insect pressure low
- Regular insecticide spraying regime
- Cold winter temperatures keep insect pressure low

----- PHYLLOXERA MITIGATED BY

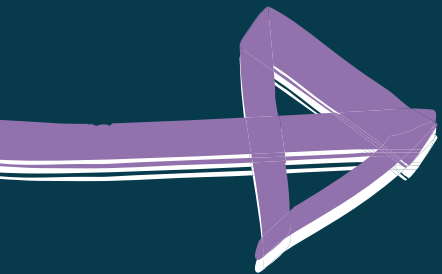
- All vines are grafted to phylloxera-resistant rootstocks;
- There is also little-to-no known phylloxera pressure in the High Plains AVA



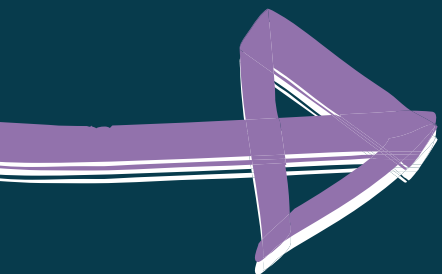
NEXT STEPS



Contact your lead sponsor to get access to the investor portal.



Complete **Offering Docs** in Private Investor Portal



Wire Funds According to Instructions in Portal





QUESTIONS?

Give us a call at 817-647-5507 or
email us at
Keeley@HubbardCapitalGroup.com