

TFC RANCH

TFC Ranch Overview, dated April 24, 2024

- **Large Agricultural Land Offering with Multiple Source Water | 44 Legal Parcel Lots**
- **1,316.85 +/- Net Planted Vine Acres | 1988 - 2022 Plantings | Primary Varietals Include Chardonnay, Zinfandel, & Merlot | Lodi AVA**
- **429.99 +/- Acres of Irrigated Row Crop Land Leased Through 2024**
- **Surface Water via Pre-1914 & Riparian Rights | Woodbridge Irrigation District | 7 Agricultural Wells**
- **+/- 34% of the Vineyard Leased Triple-Net Through 2039 | +/- 83% of the Vineyard Contracted Through 2024**
- **1,974.12 +/- Gross Assessed Acres | +/- 98% of the Property Enrolled in Williamson Act**

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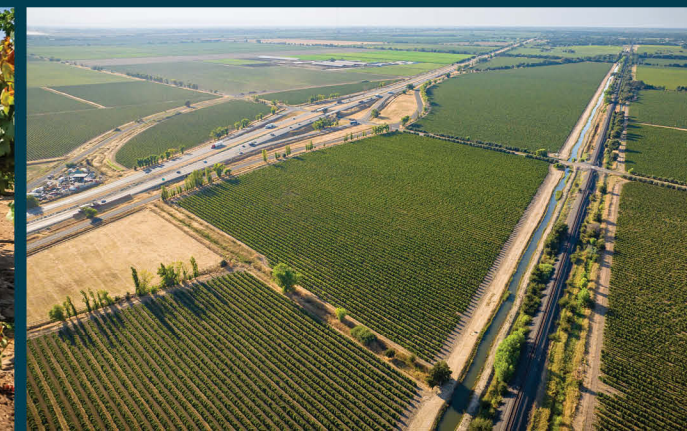


CONFIDENTIAL OVERVIEW ©



THE MENDRIN GROUP

Agricultural Brokerage,
Consulting & Advisory Firm



TFC RANCH

OVERVIEW

- 1,974.12 +/- gross assessed acres located San Joaquin County | **44 Legal Parcel Lots** (49 of 57 sale APNs) | **+/- 98% of the Property Enrolled in Williamson Act Contracts.** | **Surrounding land uses** include winegrapes, olive, almond, walnut, and stone fruit orchards, and irrigated row crops.
 - 1,316.85 +/- planted vineyard acres | 429.99 +/- acres of irrigated row crop land | 227.28 +/- acres of supporting and ancillary land
- Planted winegrape **varietals** include:
 - Chardonnay 661.56 Acres (50%) | Zinfandel 277.39 Acres (21%) | Merlot 259.57 Acres (20%) | White Riesling 60.29 Acres (5%) | Touriga Nacional 29.32 Acres (2%) | Viognier 28.73 Acres (2%)
- **Planting dates** range from 1988 to 2022, with **approximately 25% planted between 2018-2022.**
- The young vineyard plantings (2018-2022) produced **2023 yields ranging from 8.13 to 10.04 +/- tons per acre.** Winegrape **yields** averaged approximately **7.37 tons per acre** from 2017 to 2023 (weighted average) for the 1988-2007 plantings, with 2023 yields ranging from **6.71 to 10.35 +/- tons per acre.**
- The **entire Property (vineyard/irrigated row crop land) is leased through 2024. Creekside 2, 3, and 4 (445.05 +/- net vine acres) are leased triple-net through 2039. Creekside 1, 2, 3, and 4 (1,316.85 +/- vine acres) receive an annual 20% crop share of gross crop revenue.**
- **+/- 83% of the vines** on the *TFC Ranch* are currently **contracted through 2024** at \$350-\$625 per ton, **of which +/- 17% is contracted through 2025-2028 at \$600-\$625 per ton.**
- **Multiple-source irrigation water** is currently supplied to select portions of the *TFC Ranch* via a combination of surface water deliveries (**Riparian & Pre-1914 Water Rights**) from Hog Slough, and **7 operating agricultural groundwater wells** pumping at a combined flow rate of **6,251 gallons per minute** (per 2023 pump tests). Four lift pumps (one for Hog Slough, three for on-site canals/ditches) provide a combined flow rate (per 2023 pump tests) of approximately **9,541 gallons per minute** ("GPM").
- A majority of the Property is located within the boundaries of the **Woodbridge Irrigation District** ("WID"). Seller is currently paying standby/recharge district fees for 1,299.07 +/- gross acres within the WID (+/- 66% of the Property and +/- 88% of the vineyard).
- The Property lies within the boundaries of the Sustainable Groundwater Management Act ("SGMA") Bulletin 118 Groundwater Basin/Subbasin "5-022.01", *Sacramento Valley Basin, Eastern San Joaquin Subbasin*. Portions of the Property are managed by either the *Woodbridge Irrigation District Groundwater Sustainability Agency* ("GSA"), the *Central Delta Water Agency GSA*, or the *San Joaquin County No. 1 GSA*. The *Eastern San Joaquin Groundwater Authority* ("ESJGWA"), formed in 2017 in response to SGMA, is composed of 16 GSAs (including the 3 Property managing GSAs). The ESJGWA's Groundwater Sustainability Plan ("GSP") dated November of 2019 and revised in June of 2022 was **approved by the DWR in July of 2023.**
- **Purchase Price:** \$42,500,000 (\$21,529 per gross acre) all cash at the close of escrow.
- **For further information, please contact:**

Al D. Mendrin
 Broker/President
 c. (559) 288-0671
 e. al@mendrins.com
 Lic. #01084243

Josh A. Mendrin
 Broker Associate
 c. (559) 448-7085
 e. josh@mendrins.com
 Lic. #01894670

Daniel A. Mendrin
 Real Estate Analyst/Agent
 c. (559) 448-6963
 e. daniel@mendrins.com
 Lic. #02117712



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SELLER'S RIGHTS & DISCLAIMERS

Seller's Rights: Seller reserves the right in its sole discretion to accept or reject any bid or offer, terminate negotiations, withdraw the Property from market without notice, amend the price, terms, conditions, and acreages being offered, and negotiate with multiple Prospective Purchasers concurrently until a definitive, legally binding Purchase and Sale Agreement ("PSA") is fully executed by Seller and Buyer. Seller also reserves the right to accept back up offers until the close of escrow, and have the sale of the Property subject to Seller affecting a 1031 tax exchange for suitable property.

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Seller's Disclaimers: This Copyrighted Confidential Overview has been prepared by The Mendrin Group for Buyer/Recipient and Buyers/Recipients Representative's use in considering the Property for a potential future acquisition, and contains only a general overview of the Property. Although information herein and subsequent information provided (including all provided contents within the Virtual Due Diligence Data Room) are from sources deemed reliable, neither Seller, nor Broker makes any warranties or representations, express or implied, as to the accuracy and completeness of the Property information. It is Buyer's/Recipient's sole responsibility to conduct an independent investigation and Due Diligence of the Property and its attributes and characteristics in its entirety. Buyer is strongly advised to use qualified industry professionals to determine the suitability of the Property for Buyer's/Recipient's intended use. Buyer/Recipient is also advised that this Overview and Property information is dated, and that changes may have occurred prior to, during, and after the time that this Overview and the Property information was prepared (including sourced and Virtual Due Diligence Data Room data). Information in maps and charts in this Overview have been prepared for illustration purposes only and must be verified by Buyer/Recipient. The Property is being sold in its present As-Is condition, subject to the terms and conditions of a fully executed, definitive Purchase and Sale Agreement ("PSA"), including Seller's Board Approval. Seller referenced herein include: Principals, Directors, Officers, Board Members, Shareholders, Partners, Associates, Employees, Legal Counsel, Accountants, Agents, Appraisers, and Brokerage and Advisory firms, of Seller.

NOTE: Since at least the 1970s to 1990s (if not prior), the Seller has leased the all or portions of the TFC Ranch for long-term vineyard and/or irrigated row crop developments and farming. Seller has very limited knowledge of the current vineyard/row crop plantings, irrigation improvements, surface and/or groundwater availability, and farming practices that have occurred on the Property from the original leases in the 1970s-1990s to date. Vineyard/row crop planting, yield, and water information herein was primarily obtained from the current Tenants, irrigation pump company, third-party vendors, websites, and governmental agencies. Seller and Seller's representatives, including The Mendrin Group, do not warrant or guarantee the accuracy of this Overview and any subsequent Due Diligence information provided to Prospective Buyers from any source, including maps, charts, and the vineyard/row crop plantings and irrigation infrastructure Property data. Prospective Buyers must conduct their own Due Diligence and feasibility of the Property in its entirety to independently determine the suitability of the Property for Buyer's/Recipient's intended uses.

Exclusive Representation Rights & Agency: Alex D. Mendrin, Inc. dba The Mendrin Group (Broker Lic. #01978317) and Mendrin & Mendrin, Inc. (Broker Lic. #02040909) have been granted Exclusive Representation Rights and Exclusively Represent *Thompson & Folger Company, Inc.* ("Seller") for the offering and sale of the *TFC Ranch* located in San Joaquin County, California, U.S.A.

Buyer's communications, additional copies of this Copyrighted Confidential Overview, copies of the Copyrighted Confidential Information Memorandum ("CIM"), viewing of the Property, Letter of Intent submissions, Property Due Diligence data requests, and Property Due Diligence site visits shall be directed through Seller's exclusive representative, **The Mendrin Group**.

Private Property tours are strictly by appointment only with 48 hours prior notice.

California Sustainable Groundwater Management Act ("SGMA") & Surface Water Rights Disclaimer: The State of California enacted the Sustainable Groundwater Management Act ("SGMA") in 2014, requiring groundwater Basins and Subbasins to establish a Groundwater Sustainability Agency ("GSA") as governing bodies in addition to the creation of a Groundwater Sustainability Plan ("GSP"). Each GSP outlines the groundwater Basin's/Subbasin's plan to halt overdraft and achieve long-term sustainability by 2040. Draft GSPs for critically overdrafted high- and medium-priority basins were due to the California Department of Water Resources ("DWR") by January 31st, 2020, with draft GSPs for the remaining non-critically-overdrafted high- and medium-priority basins due to the DWR by January 31st, 2022. SGMA GSP's effects on groundwater wells and their ability to extract water may be curtailed, reduced, halted, and/or prohibited. Costs may also be incurred by the managing GSAs and related GSPs via assessments and/or rates of extracting groundwater (other costs may apply). Buyer/Recipient, Tenants, and their Representatives are strongly encouraged to consult with all Federal, State, and local Governmental Agencies, water attorneys, hydrologists, geologists, civil engineers, and water districts, in addition to the managing GSA(s) regarding the Property, its location and water rights within a groundwater Basin(s)/Subbasin(s), surface water rights, and its ability going forward to achieve Buyer's/Tenant's intended use and farming plan with regards to groundwater pumping and feasibility. Seller and Broker do not make any warranties or representations, express or implied, as to the effect of SGMA on the Property, the Property's location within a GSA or groundwater Basin/Subbasin, the GSP details/effects, or the measure, existence, ability, quality, quantity, or cost of groundwater and surface water relating to the Property. Additional information is available at California Department of Water Resources Sustainable Groundwater Management Act Portal <https://sgma.water.ca.gov/portal/>; California Department of Water Resources - Contact <https://water.ca.gov/Contact>



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Daniel A. Mendrin
Real Estate Analyst/Agent
c. (559) 448-6963
e. daniel@mendrins.com
Lic. #02117712

www.mendrins.com
f. (559) 436-0151
Fig Garden Financial Center
5250 N. Palm Avenue, Suite 212
Fresno, California 93704



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Al D. Mendrin
Broker/President
c. (559) 288-0671
e. al@mendrins.com
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