



A DEVELOPMENT OPPORTUNITY



CEÂGO



LAKE COUNTY, CALIFORNIA



CEÀGO



Drawn by the growing residential and hospitality market, fertile soils, and the cleanest air in the state... Lake County provides a unique development opportunity.

This concept book defines the character, values, and proposed program for Ceàgo – a resort community. The project concept is derived from Ceàgo property owner Jim Fetzer, past President of Fetzer Vineyards, together with extensive market research and input from many hospitality and real estate leaders.

Lake County is entering a new era of tourism and home ownership, with an annual increase of visitors as well as home values appreciating 30 to 40% a year. The supportive regulatory environment of Lake County presents Ceàgo with a unique opportunity to establish the region as a premier hospitality and lifestyle destination. Differentiated by the principles of agritourism, the proposed Ceàgo program will meet growing market demand for experiential and green lifestyle-based tourism, and will be the leader in the emerging Lake County market.

The Ceàgo project team is looking for an investor/operator team that supports and enhances the working vision for this long-awaited mixed-use project.







background

In 2001, after selling his previous organic vineyard to Bonterra, California native Jim Fetzer purchased 163 acres of extraordinary lakefront property in Lake County. Drawn by the emerging residential and hospitality market, fertile soils, and the cleanest air in the state, Fetzer recognized that Lake County provides a unique development opportunity. As a leader in the growing market of organic and Biodynamic® wines, and now bringing the European trend of agritourism to the United States, Fetzer has a knack for identifying emerging business opportunities.

In recent years, Clear Lake has grown its commitment to economic and responsible development to accommodate the increasing number of visitors and residents drawn to the County. Fetzer secured all entitlements to develop Ceàgo, a resort community, within a year of presenting the General Plan of Development. Entitlements in the Conditions of Approval include a mix of residential ownership (70 units), fractional ownership (50 units), a hotel (50 units), café & spa, retail space, and two marinas. While the site's zoning would allow for maximum development of residential and lodging units, the vision team recommends that the resort community be limited to a smaller number of units, sensitively sited on the lots.

Today, Ceàgo is an active certified Biodynamic® vineyard with a tasting room, event space, and minimal overnight lodging that attracts close to 10,000 visitors a year. It is a lifestyle destination, free of congestion, and full of experiences where guests can learn firsthand about Biodynamic® farming, winemaking, agritourism and the rewards of working the land. The Ceàgo Wine Club, started in 2004, hosts on-site events and educational programs throughout the year for the 1000-person membership and their friends and family.

“The Lake County Board of Supervisors is promoting agritourism with approval for tasting rooms, inns, bed-and-breakfasts, restaurants and spas. The concept is not to be like Napa Valley, with its upscale tasting rooms positioned cheek by jowl along Highway 29 and the Silverado Trail. After all, Lake County has only nine stoplights. The biggest project, already well under way, is from Jim Fetzer, whose family was instrumental in the development of Mendocino County’s wine industry.

SAN FRANCISCO CHRONICLE



Owner and President of Ceàgo Vinegarden Jim Fetzer grew up with his ten brothers and sisters in the vineyards of Mendocino County. The Fetzer family built Fetzer wines into an internationally recognized and respected winery. The family started on the home ranch producing just a few dozen cases per year. When they sold the winery in 1992, Fetzer was producing two and half million cases of wine per year.

Long before organic, green lifestyles entered the mainstream, Jim Fetzer was living the principles, and continues to do so today as a pioneer of the organic wine industry in the U.S. Recognizing the market demand for healthy living without compromising the joy of great food, wine, and adventure, Fetzer purchased Ceàgo in Lake County to create a place that celebrates the good life.



the place

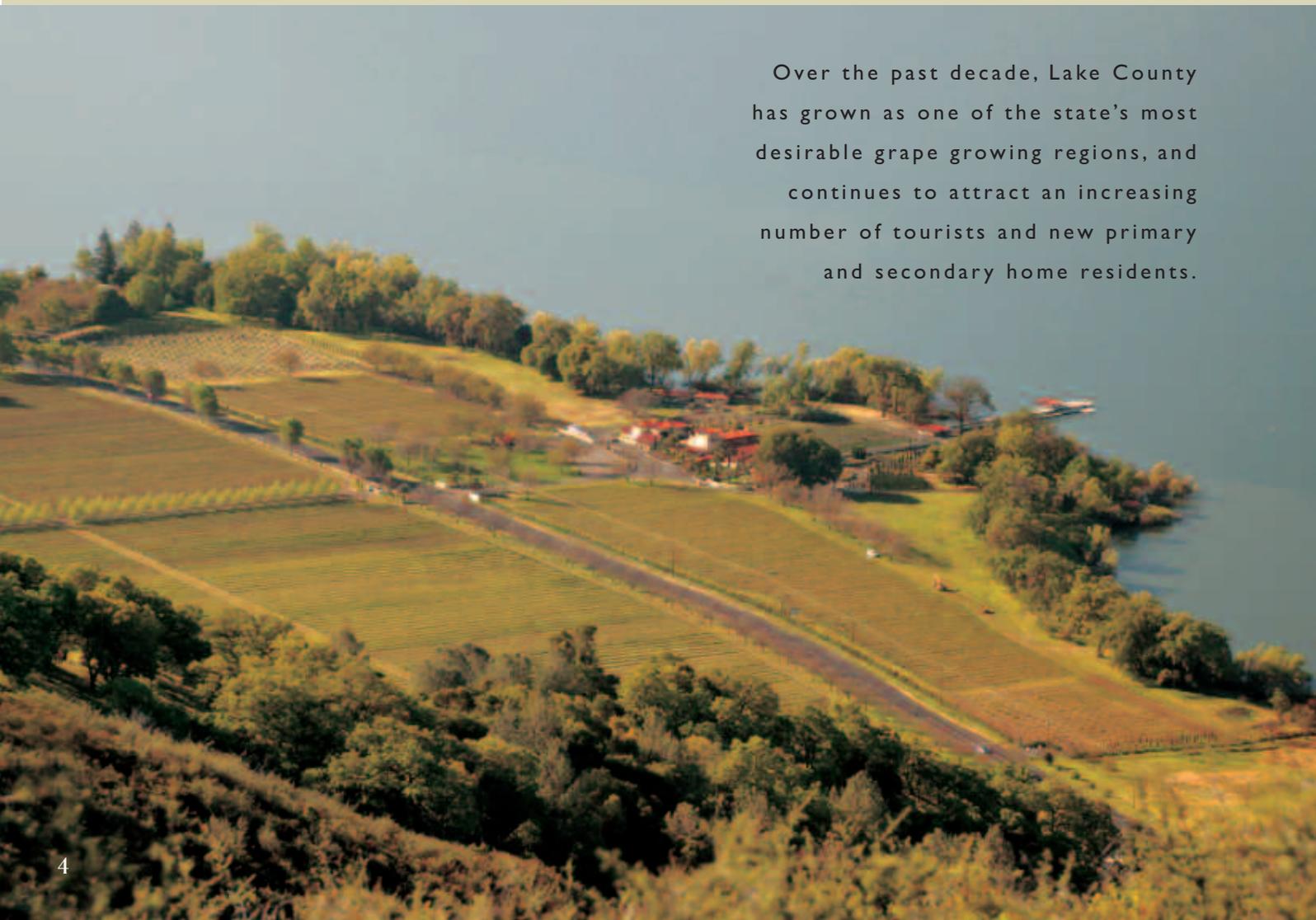
HISTORY

Derived from the Pomo Indian word meaning “grass seed valley,” Ceàgo shares the historic home region of the Pomo. At the turn of the 19th century, Lake County was an elite vacation destination famous for its vineyards, hot springs, and spas. In the early 1900s, the area boasted more than 7,000 acres of grapes and 33 bonded wineries, surpassing neighboring Napa County. Over the past decade, Lake County has grown as one of the state’s most desirable grape growing regions, and continues to attract an increasing number of tourists and new primary and secondary home residents.

LOCATION

North of Napa County and east of Sonoma and Mendocino counties, Lake County’s 8,500 acres of vineyard border three of California’s most influential viticulture regions. The Ceàgo property is situated between the villages of Lucerne and Nice, on the northwest shore of Clear Lake, California’s largest freshwater lake and the oldest natural lake in North America. The lake stretches 20 miles in length, and includes over 100 miles of shoreline. Lake County enjoys a dry, Mediterranean climate that receives less than forty inches of rainfall a year.

Over the past decade, Lake County has grown as one of the state’s most desirable grape growing regions, and continues to attract an increasing number of tourists and new primary and secondary home residents.





THE SETTING

A simple two-hour commute from the San Francisco Bay Area or Sacramento, Ceàgo's unspoiled, scenic and rural property sits on 163 acres at 1,400 feet above sea level. Situated north of State Highway 20 lie 112 mountainside acres with demanding views of the Ceàgo Vineyard and Clear Lake, and 51 waterfront acres, sitting on ³/₄ mile of lakeshore. Close to 60 of these acres are vineyards where four varieties of grapes are grown – cabernet sauvignon, sauvignon blanc, syrah, and chardonnay.

Ceàgo is prime acreage of Mediterranean-like beauty, holding – in addition to Biodynamic® and organic grapes – a mix of fruit trees, walnut trees, olive trees, figs, a two-acre field of lavender, palms, California oaks, and bay laurel. The lakeshore flora includes tulle, willow, oak, cottonwood and other riparian habitat. Some 2,000 Italian cypress trees and tropical palm trees complement the Mediterranean style of this lakefront property.



CEÀGO



THE SITE

The existing buildings at Ceàgo will be the central gathering place for visitors, guests, and residents alike. Situated in the center of the property on the lakeside, these buildings are both the gateway to and the heart of the project.

Inspired by the Spanish/Mediterranean architecture with influences of Early California and Mexico, the compound of buildings offers over 28,000 square feet of tile-roofed hacienda, designed around two large courtyards. The compound includes a wine tasting room, barrel rooms, event rooms, kitchens, offices, two homes, and three guest rooms. Directly across from the compound is a 340-foot pier, the longest on Clear Lake, providing dock space for boat and float plane access to the property and tasting room.

- Ceàgo Visitor Center – 23,321 square feet
- Pier – 340 feet long
- Winemaker's House – 2,500 square feet
- Lake House – 1,250 square feet
- Casitas (2) – 625 square feet each

Like the Native Americans who were here before us, we believe that people must interact with the land in an essential, nurturing fashion to assure long-term quality and prosperity.

- JIM FETZER



WHERE IS CEÀGO?



Core values

To celebrate life with food, wine, community, and healthy living.

To exist in harmony with the land and nature's systems through low-density development, education, and sustainable operating practices.

To embody an experience and lifestyle that promotes a unique interaction of recreation, rejuvenation, and appreciation for the land.

To support Lake County by creating jobs for the local population, and to capture its essence through programming.





CEÂGO



proposed development

Current plans call for the proposed development to be phased, leading with the hotel/café, spa, and restaurant in Phase I, with 50 lakeside casitas in Phase II, and the residential mountainside units in Phase III. Due to the timing of this offering and existing approvals, the opportunity remains for an investor/partner to participate in final density, siting and phasing decisions. It is a unique chance to work with the existing development team to influence the final character of the project.

The Hotel and Café will overlook the lake on the west side of the property and is approved for up to 50 guest rooms. Guest rooms will be well-appointed, spacious in size and oriented to take full advantage of the lake and vineyard views. Balconies, outside patios, and other outdoor spaces will enhance the lodging experience. The café will provide patio and room service.

The Spa and swimming pool, only steps away from the hotel, will be available to overnight and day use guests. The Spa will include treatment rooms, fitness facilities, and a movement studio. Essential oils from the lavender field and other plants will be integrated into the body treatments. A spacious lounging patio will surround the pool.

The Casitas will include both attached and detached units. They will be available through traditional and high-end fractional ownerships for rental in the resort accommodation pool. They will be clustered around the south, lakefront side of the property, in close proximity to the central gathering facilities. Pedestrian paths will lead guests from the casitas to the lake, the restaurant, shops, and spa facilities.

Close to half of the 163 acres will be maintained as open space. Pedestrian-friendly paths will lead guests and residents throughout the property to take advantage of views and respectful, but intimate, contact with the flora, bird life, and farm.





The Villas call for a variety of home sites located in close proximity to the existing development. The nature of the property and the intersection of State Highway 20 preclude lakefront home sites, but due to increased elevation all the home sites will offer commanding views of the lake and vineyards. The 70 homes will be clustered in the open area on the easternmost section of the north parcels. Homes will range in size from 1,200 to 1,800 square feet.

The Restaurant and the retail shops will be located in the existing Ceàgo Visitor Center. Both will be open to overnight guests, residents, and day visitors. The restaurant menu will incorporate as many on-site ingredients as possible, and will promote healthy, organic cuisine that supports the artistry and practices of Slow Food. The retail shops will be designed after the old general store model with a mix of sundries, produce, wine, and fine gifts created by local artisans.

Lake Access The two additional piers and marina will be located on the north and south shores of the property. Many visitors will travel to Ceàgo by boat, and many home and Casita owners will use boats for recreational purposes. The piers will also provide easy floatplane access to Ceàgo from the San Francisco Bay Area and the Sacramento Delta.

PROPOSED CEÀGO DEVELOPMENT SITE MAP

**From the local press,
The Lake County Record Bee**

“This one we like. It has economic potential for the county without destroying – actually building upon what we have.”

- VICTORIA BRANDON
LAKE CHAPTER CHAIR
THE SIERRA CLUB

“This is a project that is so good, it’s been supported by the Sierra Club and the Farm Bureau.”

- ED ROBEBY
DISTRICT 1 SUPERVISOR



CEÀGO



the program

Visitors to Ceàgo will leave behind the complexity of their daily lives for an authentic agrarian living experience that balances active lifestyle with a contemplative retreat. The quieter side of Ceàgo will be experienced in the spa where the Ceàgo philosophy of natural rhythms, nutrition and the use of plants and their oils will infuse wellness seminars and treatments. Products from the farm such as wine, olive oil, walnuts, and lavender oil will be available in the general store. Continued operations of the Ceàgo vineyard, tasting room, and farm functions will allow guests and residents to participate in programmed events.

While there are advantages in escaping from the bustle of an urban setting, Ceàgo will also work to connect with the cultural aspects of Lake County – with the exhibition of local artists, unique culinary experiences, and engaging dialogue and lectures. Ceàgo will highlight a celebration of wine, food, the growers, and the community, seamlessly weaving the principles of agritourism, prevalent in European countries, into the guest experience. Agritourism aims to increase farm revenues through tourism while increasing overall appreciation for the region's agricultural and natural heritage. Agritourism is a new interpretation of old-world values that celebrates community, connection to the land, and the pleasures of food, wine, and dining.

BIODYNAMIC® GROWING AT CEÀGO

Inspired by the farming practices developed by Austrian philosopher Rudolf Steiner in 1924, Ceàgo's farm and vineyards focus on the principles of Biodynamic® growing. Both an art and a science, Biodynamic® growing recognizes the basic principles at work in nature, and establishes a self contained, sustainable farming system in which everything on the property is recycled and reused to regenerate the land. Today, Ceàgo is one of 30 certified Biodynamic® wineries and vineyards in the U.S. and of 200 worldwide.





the program at a glance

■ RECREATION AND PROGRAMS

Ceàgo is a gateway into discovery of self, others, and the natural environment. Recreational opportunities can be enjoyed in a guided class or through individual exploration. Throughout the year, guests can participate in a variety of programs offered on a weekly basis such as Biodynamic® farming, olive oil production, winemaking, essential oil distillation, birding and fishing. Special events and programs led by respected presenters will also be available to overnight guests. The resort's concierge will be centrally located in order to arrange activities throughout the year.

■ THE HOTEL AND CASITAS

The plan calls for 50 keys in the Hotel and 50 Casitas that will be privately owned and shared through a rental pool. Most Casitas will have 2 bedrooms. The Hotel will include large public spaces for guests, gatherings, events, as well as conference facilities.

■ RESIDENTIAL

The Ceàgo property will include 70 homes that will utilize the hotel and public gathering spaces. Future property values will be protected. Design guidelines will create a strong amenity base with the hotel, recreation, and all other services provided on site.

■ SERVICES/PROGRAMS

Warm, friendly, informal concierge service for visitors and residents will distinguish Ceàgo from other lodging and communities in the area. Ongoing weekly programs such as organic gardening and essential oil distillation will be augmented by special events and programs led by known presenters. Conference areas and open space will provide an event venue for the greater Lake County community.

■ THE SPA

The Spa at Ceàgo will be an integral part of the program mirroring the strong appeal of health and wellness in the California market. The spa will include treatment rooms, yoga studio, and fitness facilities, and will be attractive to both men and women.

■ RESTAURANT AND RETAIL

Ceàgo will include a culinary arts center where wine club events will be sponsored. The restaurant and retail store will carry merchandise from the farm such as essential and cooking oils, produce, and wine.



architectural guidelines

The architecture of Ceàgo reflects the agricultural regions in the Mediterranean. Stylistic features of the existing compound include cap and pan red tile roofs, heavy wooden timbers and beams, ornamental wrought iron gates and fixtures, ceramic floor tiles, balconies, courtyards, fountains, and heavy wooden doors. The landscaping aesthetic will be representative of what already exists on the property.

In order to heighten the sense of living outside and to take full advantage of the sunny and dry Mediterranean climate, covered porches, outdoor rooms, exterior fireplaces, and courtyard fire pits are part of the structural design. The lake frontage of Ceàgo is the single most distinguishing feature of the site, and the buildings will be positioned to capture the views. Many of the open spaces and trails will be left undeveloped so that the serene, quiet, and reflective nature of the site can be maintained and enhanced for the community's use.

The use of materials and character of the buildings currently on-site will be celebrated in the new resort buildings by using reclaimed materials where possible, and integrating resource and energy-efficient systems. Establishing green building practices and writing architectural controls advocating "smaller is better" will reinforce the development's commitment to the environment. Sustainable energy resources like solar, wind, and geothermal power will be implemented as it appeals to the buyer preferences of the desired market.





CEÀGO



More and more Americans are seeking values-based experiences that foster connection, create a sense of community and place, and enrich the quality of life.



market trends

A majority of the visitors and homebuyers in Lake County come from the San Francisco Bay Area or Sacramento Metropolitan Area. The region's dry, sunny climate, beautiful scenery, and outdoor recreation draw nearby city dwellers to the area. Driven by values-based experiences, long-term ecological and aesthetic protection, design control, and protection of both natural and built environments, Ceàgo will be an attractive new offering in the resort community market.

At present, the region is primarily a summer/fall travel destination for the outdoor enthusiast, although some of the most peaceful and picturesque times at the Lake occur during the off-season. It is the intent of the project planners to offer extensive programming during these periods to maintain occupancy in the low season. Known as the Bass Capital of the West, Lake County currently draws thousands of fishing enthusiasts and spectators each year. Others enjoy the trails, swimming, wine tasting, antiquing, and overall slower pace of life.

More and more Americans are seeking values-based experiences that foster connection, create a sense of community and place, and enrich the quality of life. Consumers are searching for more than commodities – they want experiences that will transform them and help to sustain their transformation. They want to experience travel that does more than give them rest and a getaway; they want to combine travel with knowledge-gathering, acquiring new skills, and collecting memorable experiences while still having access to the best hospitality services.

The guest experience programs, amenities, and services at Ceàgo are designed for visitors and residents alike, and reflect the personal values of Jim Fetzer and the Ceàgo design team.





market segments

OUTDOOR ADVENTURE SEEKERS

Adventure seekers are men and women of all ages. These travelers are looking for year-round destinations where recreation (from yoga to hiking to mountain biking), quality of life, and health are valued. Often, this group is seeking the "secret spots," where diverse and challenging recreation is abundant.

COUPLES: ACTIVE AND ROMANCE

Increasing numbers of couples seek intimacy through recreational and educational experiences balanced by high-level guest services. Memories of a destination go beyond just location, amenities, and service; rather, they are defined by discovery and learning.

GROUP BUSINESS

Small groups will naturally be drawn to the Ceàgo spa, the easy access to outdoor recreation, the restaurant and bar, the high level of service, the comfortable accommodations and the intimate meeting space. Social groups may include family reunions, women's groups and special packages. Nonprofit organizations will find Ceàgo a prime location for convening meetings, given its philosophy of stewardship and social and environmental ethics.

WELLNESS SEEKERS

Wellness seekers tend to be women however, more men are joining the ranks. Wellness programming focuses less on pampering and beauty and more on health maintenance, spiritual connection, and rejuvenation. Wellness seekers will pay a premium for custom-designed, signature experiences.

CULINARY TOURISTS / OENOPHILES

More Americans are seeking to entice the five senses through fine dining experiences, to follow the life cycle, nutritional value, and historic and cultural significance of local foods, farms, and wine. Many culinary and wine tourists will go to remote, out-of-the-way destinations to savor the finest of foods and wines, and they will pay a premium for this privilege.







opportunities and obstacles

OPPORTUNITIES

- Ceàgo sits along the northern shores of California's largest natural lake and at the southern tip of the great northern forests leading from Clear Lake north to the Oregon border and beyond. It can be accessed via boat, floatplane, helicopter and automobile and is serviced with power, sewer, and high-speed internet.
- Ceàgo, nearby to both the Mendocino National Forest and BLM land, is highlighted by expansive open space and views and is housed on the most unique property on the Lake with access to both the water and agricultural land.
- Ceàgo is easily accessible from both the east and the west on State Highway 20 connecting Highway 101 and Interstate 5. It is in close proximity to three international airports - Oakland, Sacramento, and San Francisco.
- Lake County is experiencing a real estate renaissance as popular California winegrowing areas such as Napa and Sonoma are becoming increasingly unattainable with vineyard land prices averaging \$80 to \$200K an acre with a 40-acre zoning minimum.

OBSTACLES

- Lake County is not yet established as a high-end living community or tourism destination.
- Whereas power, sewer, and high-speed internet currently run through the property, municipal water will need to be extended from the neighboring water district in Nice.
- Although the closest service population is a 35-to-40 minute commute from the property in southern Lake County, there is now an extensive commuter population to Napa and Sonoma counties that could be accessed for service employees.
- Clear Lake is perhaps the oldest lake in North America and is a highly productive shallow lake that supports extensive bird, fish and other wildlife. These conditions contribute to the formation of seasonal algae blooms on the lake. This condition is not harmful to human health, but will require guest education to alleviate any concerns.

the invitation

*W*e are seeking an investment and operations team to finance, build, and manage Ceàgo.

The core offering is already in place with Jim Fetzner managing the vineyards, orchards, tasting room, wine facilities, and wine club.

Ceàgo stands to compete with the highest profile resort communities in the country, offering an experience of exceptional value and commanding prices in excess of any other development in Lake County. Developers and homeowners alike are looking to Lake County for property that will appreciate in value while preserving the natural splendor of the environs.

Ceàgo offers a unique opportunity for investors to lead this market and create a model that can be translated to other wine regions in the world and maximize the brand value and recognition created at Ceàgo. It is an opportunity for a visionary team to lead the industry in agritourism development, capitalize on potentially large property value increases, and be part of a project that will define the Clear Lake hospitality market.

CEÂGO





CEÂGO



5115 EAST HIGHWAY 20, NICE, CALIFORNIA 95464

P 707.274.1462 F 707.274.9736

jimfetzer@ceago.com www.ceago.com