



U.S. Citizenship
and Immigration
Services

December 15, 2009

California Wineries & Vineyards LLC Regional Center
C/O Christina C Lau
Natural Econometric Inc.
177 Bovet Rd Suite 600
San Mateo, CA 94402

Application: Request to Amend Designation as a Regional Center
Applicants: Christina C. Lau

Re: California Wineries & Vineyards LLC Regional Center
Receipt No. W09000190

Pursuant to Section 610 of the Appropriations Act of 1993, on January 8, 2009, the California Wineries & Vineyards LLC Regional Center, was approved and designated as a regional center to participate in the Immigrant Investor Pilot Program. In a written request dated January 23, 2009, California Wineries & Vineyards LLC Regional Center sought to amend its initial Regional Center designation, to include the County of Sonoma California.

Based on its review and analysis of the request to amend the previous California Wineries & Vineyards LLC Regional Center designation, the business plan, and supplementary evidence, the U.S. Citizenship and Immigration Services (USCIS) amends the designation of the Regional Center as requested to incorporate the above change as described below:.

GEOGRAPHIC AREA:

The California Wineries & Vineyards LLC Regional Center shall have a geographic scope which includes Napa and Sonoma Counties of California.

FOCUS OF INVESTMENT ACTIVITY:

As depicted in the economic model, the general proposal and the economic analysis, the Regional Center will engage in the following economic activities: Direct equity investment into vineyards and troubled wineries.

CALIFORNIA WINERIES & VINEYARDS LLC R C
C/O CHRISTINA C LAU
NATURAL ECONOMETRIC INC
177 BOVET RD SUITE 600
SAN MATEO CA 94402

The Regional Center for EB-5 Immigrant purposes shall focus investments into a mix of commercial enterprises, expansion of existing enterprises, & troubled businesses in the following two (2) target industry economic clusters:

1. Vineyards (Farms)
2. Wineries

If any investment opportunities arise that are beyond the scope of the approved industry clusters, then an amendment would be required to add that cluster.

Aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the approved Regional Center area. Aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the approved Regional Center area. The geographic focus of this area may contain some High Unemployment Targeted Employment Areas (TEAs) as designated by the State of California and rural TEAs as defined in 8 CFR 204.6(e). Therefore, the minimum capital investment threshold for any individual immigrant investment into an approved commercial enterprise throughout the Regional Center shall be not less than \$500,000, if the investment target is located within a TEA or \$1,000,000 if it is located outside of a TEA. No debt arrangement will be acceptable unless it is secured by assets owned by the alien entrepreneur. A full capital investment must be made and placed at risk.

EMPLOYMENT CREATION

Immigrant investors who file petitions for commercial enterprises located in the Regional Center area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the immigrant investor's investment. This determination has been established by way of USCIS' acceptance of the final economic analysis that is contained as part of the approved Regional Center proposal and its indirect job creation model and multipliers contained within the final approved Regional Center application package. Rather, the investor must show at the time of removal of conditions that they performed the activities described in the RIMS II model and on which the approved methodology is based.

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs", the immigrant investor's individual I-526 petition affiliated with your Regional Center, should include as supporting evidence:

- A comprehensive detailed business plan with supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

However, where preservation or creation of "direct jobs" is claimed in support of an immigrant investor's I-526 petition affiliated with the Regional Center, then:

- To be credited for preserving/maintaining pre-existing direct jobs for "qualified employees" with the Regional Center for a "troubled business" as defined by the regulation at Part 204.6(e), the individual I-526 petition must be supported by probative evidence of the number of full time (35 hours per week) qualified employees, whose positions shall be preserved/maintained throughout the alien's period of conditional residency. Such evidence should include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.
- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, then the petition must be supported by a comprehensive detailed business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).
- For the purposes of an alien investor's filing of a subsequent I-829 petition to remove the conditions wherein the investment through the Regional Center involved the creation of new direct jobs or the creation of new indirect jobs based upon a multiplier tied to underlying new direct jobs, then to support the full number of direct and indirect new jobs being claimed, an alien's subsequent I-829 petition filed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Additional Guidelines for individual Immigrant Investors Visa Petition (I-526)

Each individual petition, in order to demonstrate that it is associated with the Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain as supporting evidence relating to this Regional Center designation, the following:

1. A copy of this letter, the Regional Center approval and designation.
2. A copy of the USCIS approved Regional Center narrative proposal and business plan.
3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the final Regional Center economic analysis which has been approved by USCIS, which reflects that investment by an individual immigrant investor will create not fewer than ten (10) full-time employment positions, either directly or indirectly, per immigrant investor.
4. A legally executed copy of the USCIS approved:
 - a. The Offering Letter
DRAFT (Sonoma Co) January 2099
& (Napa Co) May 2008
 - b. Subscription Agreement; and
DRAFT (Sonoma Co) dated Jan 2009
& (Napa Co) May 2008
 - c. Operating Agreement
DRAFT (Sonoma Co) January 2009
& (Napa Co) May 2008

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year¹, commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.
2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.
3. Be prepared to explain the following:
 - a. How the Regional Center is actively engaged in the evaluation, oversight and follow-up on any proposed commercial activities that will be utilized by alien investors.
 - b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow-up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.
4. Be prepared to provide:
 - a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:
 - i. the petition was filed,
 - ii. was approved,
 - iii. denied, or
 - iv. withdrawn by the petitioner, together with the date(s) of such event.
 - b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.
 - c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

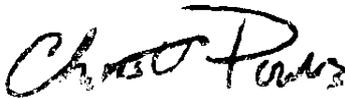
¹ A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

- d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - e. For each alien investor listed in item 4.a., above, identify the following:
 - i. the date(s) of investment in the commercial enterprise;
 - ii. the amount(s) of investment in the commercial enterprise; and
 - iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.
5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:
- a. received alien investors' capital, and in what aggregate amounts;
 - b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;
 - c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:
 - i. The name and address of each "direct" job creating commercial enterprise.
 - ii. The industry category for each indirect job creating investment activity.
6. Be prepared to provide:
- a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.
 - b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.
7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.
8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.
9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.
10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:
- a. a detailed written explanation for the inactivity,
 - b. a specific plan which specifies the budget, timelines, milestones and critical steps to:
 - i. actively promote your Regional Center program,
 - ii. identify and recruit legitimate and viable alien investors, and

- iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.
11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.
 12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:
 - the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
 - the management and administration of the RC,
 - the RC structure,
 - the RC mailing address, web site address, email address, phone and fax number,
 - the scope of the RC operations and focus,
 - the RC business plan,
 - any new, reduced or expanded delegation of authority , MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
 - the economic focus of the RC, or
 - any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the Regional Center approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,



Christina Poulos
Director
California Service Center

		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09000190		
Notice Date October 29, 2009	Page 1 of 2	Regional Center California Wineries & Vineyards LLC Regional Center

California Wineries & Vineyards LLC Regional Center
C/O Christina C Lau
Natural Econometric Inc
177 Bovet Rd Suite 600
San Mateo, CA 94402

Request for Evidence

IMPORTANT: WHEN YOU HAVE COMPLIED WITH THE INSTRUCTIONS ON THIS FORM, RESUBMIT THIS NOTICE ON TOP OF ALL REQUESTED DOCUMENTS AND /OR INFORMATION TO THE ADDRESS BELOW. THIS OFFICE HAS RETAINED YOUR PETITION/APPLICATION WITH SUPPORTING DOCUMENTS.

THE INFORMATION REQUESTED BELOW MUST BE RECEIVED BY THIS OFFICE NO LATER THAN EIGHTY-FOUR (84) DAYS FROM THE DATE OF THIS NOTICE. IF YOU DO NOT PROVIDE THE REQUESTED DOCUMENTATION WITHIN THE TIME ALLOTTED, YOUR APPLICATION WILL BE CONSIDERED ABANDONED PURSUANT TO 8 C.F.R. 103.2(B)(13) AND, AS SUCH, WILL BE DENIED.

WS 24068 CSC 3360 DIV III

RETURN THIS NOTICE ON TOP OF THE REQUESTED INFORMATION LISTED ON THE ATTACHED SHEET.

Note: You are given until January 20, 2010 in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
Attn: EB 5 RC Proposal
CALIFORNIA SERVICE CENTER
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0526



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Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at www.uscis.gov to contact your local USCIS office or call our National Customer Service Center at 1-800-375-5283.

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under "Denials".

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulate.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

Promotion of Economic Growth within the selected Geographic Area (8 CFR 204.6(m)(3)(i)):

8 CFR 204.6(m)(3)(i) requires that a proposal be submitted which:

Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

After reviewing your request to amend to the Regional Center Proposal center and the initial Regional Center filing, there appears to be an inconsistency between the geographic area requested on the initial filing and the geographic area that was granted. In this respect, you had requested that the geographic scope of the Regional Center encompass only the rural areas of Napa County. However, you were granted the entire county of Napa County, California. In this filing you are requesting to add the rural areas of Sonoma County. So should the geographic scope of the Regional Center be defined as "Napa and Sonoma counties" or just "the rural areas of Napa and Sonoma Counties." Please clarify.

Note: Regional Centers geographic areas do not need to match TEA designated rural areas or state designated High Unemployment Areas. This determination will be done at the I-526 Level.

Job Creation (8 CFR 204.6(m)(3)(ii)):

The Proposal indicates the alien entrepreneur will invest in an enterprise, which in turn will invest in vineyards and wineries. While the record indicates that the enterprise will purchase vineyards, it is not explained as to what is meant by investment in wineries. Will it be a direct equity investment by the enterprise or will it be in the form of loans? Will it be combination of loans and direct equity investment or will it involve other investment actions? Please clarify as to your intent

Copies:

Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.



Natural Econometric Incorporated

November 17, 2009

Attn.: WS 24068 CSC 3360 DIV III
EB 5 RC Proposal
California Service Center
U.S. Citizenship & Immigration Service
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

Re: Response to Request for Additional Evidence on EB-5 Regional Center Request for
Applicant: California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
Case No.: W09000190 / W09000195

Dear Immigration Officer:

In response to your Request for Additional Evidence dated October 29, 2009, we hereby
response as follows:

I. **Promotion of Economic Growth within the selected Geographic Area:**

For California Wineries & Vineyards to be able to fully benefit wineries, vineyards and
troubled wineries within Napa and Sonoma counties, we request that the geographical
scope of the Regional Center be defined as "Napa and Sonoma counties".

Napa County:

For investment into vineyards (farmland), wineries and/or troubled wineries located within
rural areas of Napa County, CA as defined in 8 CFR 204.6(e) that qualified as Targeted
Employment Areas (TEAs) which include but not limited to: American Canyon, Angwin,
Calistoga, Deer Park, Oakville, Pope Valley, Rutherford, St. Helena, Yountville, etc., the
investment for any individual immigrant investor will be \$500,000.

For investment into vineyards (farmland), wineries and/or troubled wineries located outside
of Targeted Employment Areas (TEAs) of Napa County, CA, the investment for any
individual immigrant investor will be \$1,000,000.

Sonoma County:

For investment into vineyards (farmland), wineries and/or troubled wineries located within
rural areas of Sonoma County, CA as defined in 8 CFR 204.6(e) that qualified as Targeted
Employment Areas (TEAs) which include but not limited to: Cloverdale, Forestville,
Geyserville, Glen Ellen, Guerneville, Healdsburg, Kenwood, Sebastopol, Sonoma, etc., the
investment for any individual immigrant investor will be \$500,000.

For investment into vineyards (farmland), wineries and/or troubled wineries located outside of Targeted Employment Areas (TEAs) of Sonoma County, CA, the investment for any individual immigrant investor will be \$1,000,000.

II. **Job Creation (8 CFR 204.6(m)(3)(ii)):**

Investment in wineries means that California Wineries & Vineyards will make direct equity investment and in return, we will own the wineries assets such as buildings, farmlands, etc. We will also seek managing rights to the invested wineries.

(b)(4)



On November 6, 2009, we have met with and talked to Mr. Andrew Wylegala (Chief Commercial Consul of the US Commercial Services located within The American Consulate in Hong Kong) and Mr. Christopher Clement (from Invest in America of US Department of Commerce) and all of them are very excited about our EB-5 program and the opportunity of increasing US wine sales to Hong Kong and China.

We hope that based on the submitted clarifications, the Service will approve California Wineries & Vineyards LLC be designated as one of the EB-5 Regional Center within Napa and Sonoma Counties.

Sincerely,

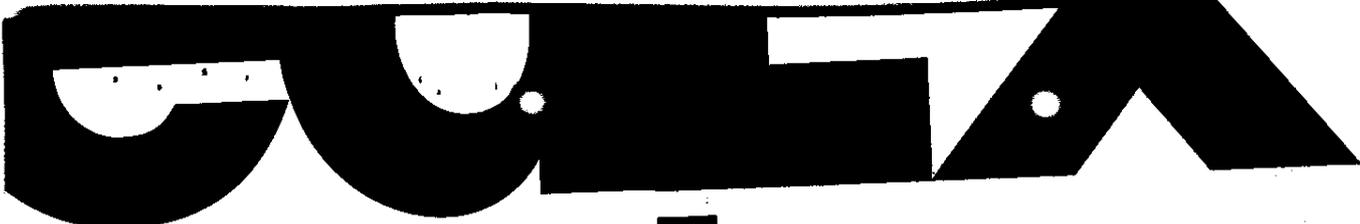


Christina C. Lau

Natural Econometric Inc.

177 Bovet Road, Suite 600
San Mateo, CA 94402, USA

Attn.: WS 24068 CSC 3360 DIV III
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24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677



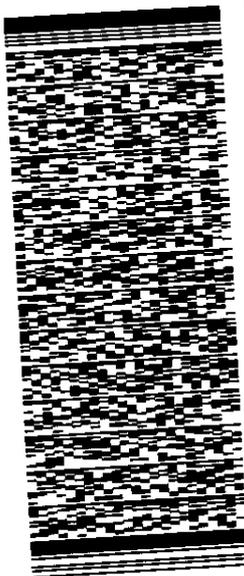
Express

From: Origin ID: BWCA (650) 634-9648
 Christina Lau
 NATURAL ECONOMETRIC INC
 177 BOVET ROAD, SUITE 600
 SAN MATEO, CA 94402



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SHIP TO: (949) 831-8427
 BILL SENDER
 California Service Center
 USCIS
 24000 Avila Road, 2nd Floor
 EB5 RC Proposal - RFE
 LAGUNA NIGUEL, CA 92677



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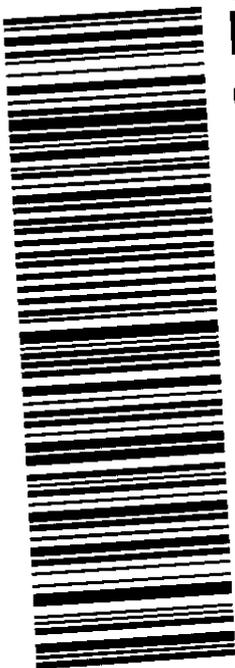
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		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09000190		
Notice Date October 29, 2009	Page 1 of 2	Regional Center California Wineries & Vineyards LLC Regional Center

California Wineries & Vineyards LLC Regional Center
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WS 24068 CSC 3360 DIV III

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Note: You are given until January 20, 2010 in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

-copy-

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

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LAGUNA NIGUEL, CA 92607-0526



Promotion of Economic Growth within the selected Geographic Area (8 CFR 204.6(m)(3)(i)):

8 CFR 204.6(m)(3)(i) requires that a proposal be submitted which:

Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

After reviewing your request to amend to the Regional Center Proposal center and the initial Regional Center filing, there appears to be an inconsistency between the geographic area requested on the initial filing and the geographic area that was granted. In this respect, you had requested that the geographic scope of the Regional Center encompass only the rural areas of Napa County. However, you were granted the entire county of Napa County, California. In this filing you are requesting to add the rural areas of Sonoma County. So should the geographic scope of the Regional Center be defined as "Napa and Sonoma counties" or just "the rural areas of Napa and Sonoma Counties." Please clarify.

Note: Regional Centers geographic areas do not need to match TEA designated rural areas or state designated High Unemployment Areas. This determination will be done at the I-526 Level.

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Receipt # W09000190		
Notice Date <i>MAY 13, 2009</i>	Page 1 of 2	Regional Center California Wineries & Vineyards LLC Regional Center

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WS 24068 CSC 3360 DIV III

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Laguna Niguel, CA 92677

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LAGUNA NIGUEL, CA 92607-0526



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Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at www.uscis.gov to contact your local USCIS office or call our National Customer Service Center at 1-800-375-5283.

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under "Denials".

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulates.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

W09000195



W09000195

CALIFORNIA WINERIES & VINEYARDS
C/O CHRISTINA C LAU
NATURAL ECONOMETRIC INC
177 BOVET RD SUITE 600
SAN MATEO, CA 94402

W09000195

CALIFORNIA WINERIES & VINEYARDS
C/O CHRISTINA C LAU
NATURAL ECONOMETRIC INC
177 BOVET RD SUITE 600
SAN MATEO, CA 94402

CALIFORNIA WINERIES & VINEYARDS
C/O CHRISTINA C LAU
NATURAL ECONOMETRIC INC
177 BOVET RD SUITE 600
SAN MATEO, CA 94402

California Wineries and Vineyards/W09000190

Page 2

In accordance with Federal Register Notice dated Jan 9, 2009, and effective Jan 26, 2009, your case has been relocated to the California Service Center for processing.

Due to the transition of this case type from Washington D.C. to this office, we are requesting that amendments to prior approvals include a copy of all documents previously submitted including responses to any requests for evidence. This will assist this office in promptly responding to your request for amendment.

Therefore, submit a copy of all the documentation submitted your Regional Center in support of the initial approval.



Natural Econometric Incorporated

May 28, 2009

Attn.: WS 24068 CSC 3360 DIV III
EB 5 RC Proposal
California Service Center
U.S. Citizenship & Immigration Service
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

Re: Response to Request for Additional Evidence on EB-5 Regional Center Request for
Applicant: California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
Case No.: W09000190

Dear Immigration Officer:

In response to your Request for Additional Evidence dated May 13, 2009, enclosed please find the following:

For California Wineries & Vineyards Regional Center – approved area: Napa County:

1. A copy of the letter dated May 23, 2008 to US Department of Homeland Security seeking EB-5 Regional Center approval
2. A copy of the Request for Additional Evidence dated September 28, 2008 requesting for more information
3. A copy of letter dated November 23, 2008 to Ms. Barbara Velarde responding to Request for Additional Evidence
4. A complete set of supporting documents responding to the Request for Additional Evidence

In addition, we have enclosed the following updated documents for your file:

For California Wineries & Vineyards Regional Center – seeking additional approval area: Sonoma County:

1. Most updated Investment Offering Letter drafted by our corporate legal counsel: Orrick, Herrington and Sutcliff LLC
2. Escrow Account Due Diligence Checklist and Escrow Agreement from our official designated escrow bank – Wells Fargo Bank
3. Most updated Due Diligence Investor Questionnaire from our official Accountant & Auditor – Burr, Pilger & Mayer LLP – who will be responsible for reviewing each investor's financial documents and perform due diligence work
4. Most updated Business Plan:

- a. we have caught some mistakes and have revised the Economic Impact & Job Creation Analysis on Direct and Indirect Job Creation;
- b. we have also revised the Management Team to add 2 seasoned managers to our LLC to oversee and manage the vineyard investment projects

We respectfully request that California Wineries & Vineyards LLC can be designated as one of the EB-5 Regional Center within both Napa County and Sonoma County. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christina C. Lau', with a long horizontal flourish extending to the right.

Christina C. Lau



Natural Econometric Incorporated

November 23, 2008

Ms. Barbara Velarde, Chief
USCIS Foreign Trader, Investor & Regional Center Program
Office of Service Center Operations, Business & Trade Services
20 Massachusetts Avenue, NW (Room 2123)
Washington DC 20529

Re: Response to Request for Additional Evidence on EB-5 Regional Center Request for
Applicant: California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated

Dear Chief Velarde:

In response to your request dated September 18, 2008, we hereby respond as follow:

California Wineries & Vineyards LLC will establish an investment fund to establish an EB-5 Regional Center focusing on a particular geographical region in California to promote economic growth through improved regional productivity, job creation and increased domestic capital investment:

- I. Napa Vineyards Fund seeks 98 investors with each investing \$500,000 to create a \$49 million dollar investment fund to establish a Regional Center in Napa County that will invest into vineyards (farmland) and/or troubled wineries located within the following rural area:

American Canyon (population: 15919 as of 2007)
Angwin (population: 3088 as of 2007)
Calistoga (population: 5214 as of 2007)
Deer Park (population: 1411 as of 2007)
Oakville (population: 3488 as of 2007)
Pope Valley (population: 836 as of 2007)
Rutherford (population: 9148 as of 2007)
St. Helena (population: 5960 as of 2007)
Yountville (population: 3311 as of 2007)

We hereby enclosed the following to establish the boundary of this Regional Center:

1. County Map listing the above mentioned cities and towns (Exhibit 1)



(b)(4)

Purpose of Napa Vineyards Fund

1. Buy 250 acres of planted vineyards (farmland) that are currently listing for sale within Napa county; and/or
2. Investing into existing trouble wineries and/or vineyards located within Napa county that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).

Commercial Activity Involved

Wine grape growing in Napa county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Napa Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Napa county:

1. Wine or table grape growing, harvesting and processing
2. Wine making, manufacturing and bottling
3. Wine warehousing & storage
4. Wholesale and retailer trade to both domestic and overseas buyers
5. Truck transportation

The Fund Brings Following Benefits to Napa County

- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide.

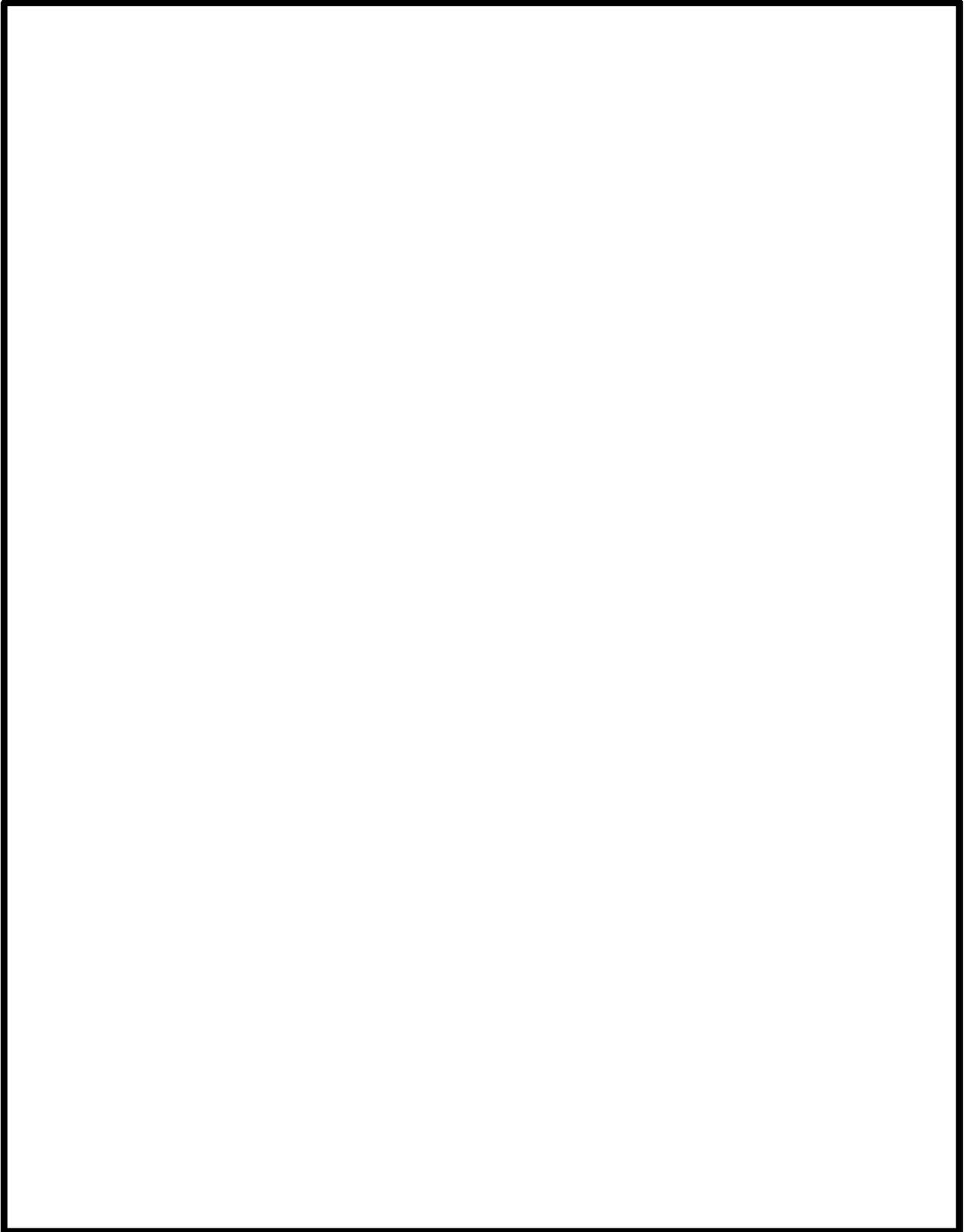
Economic Impact & Job Creation



(b)(4)

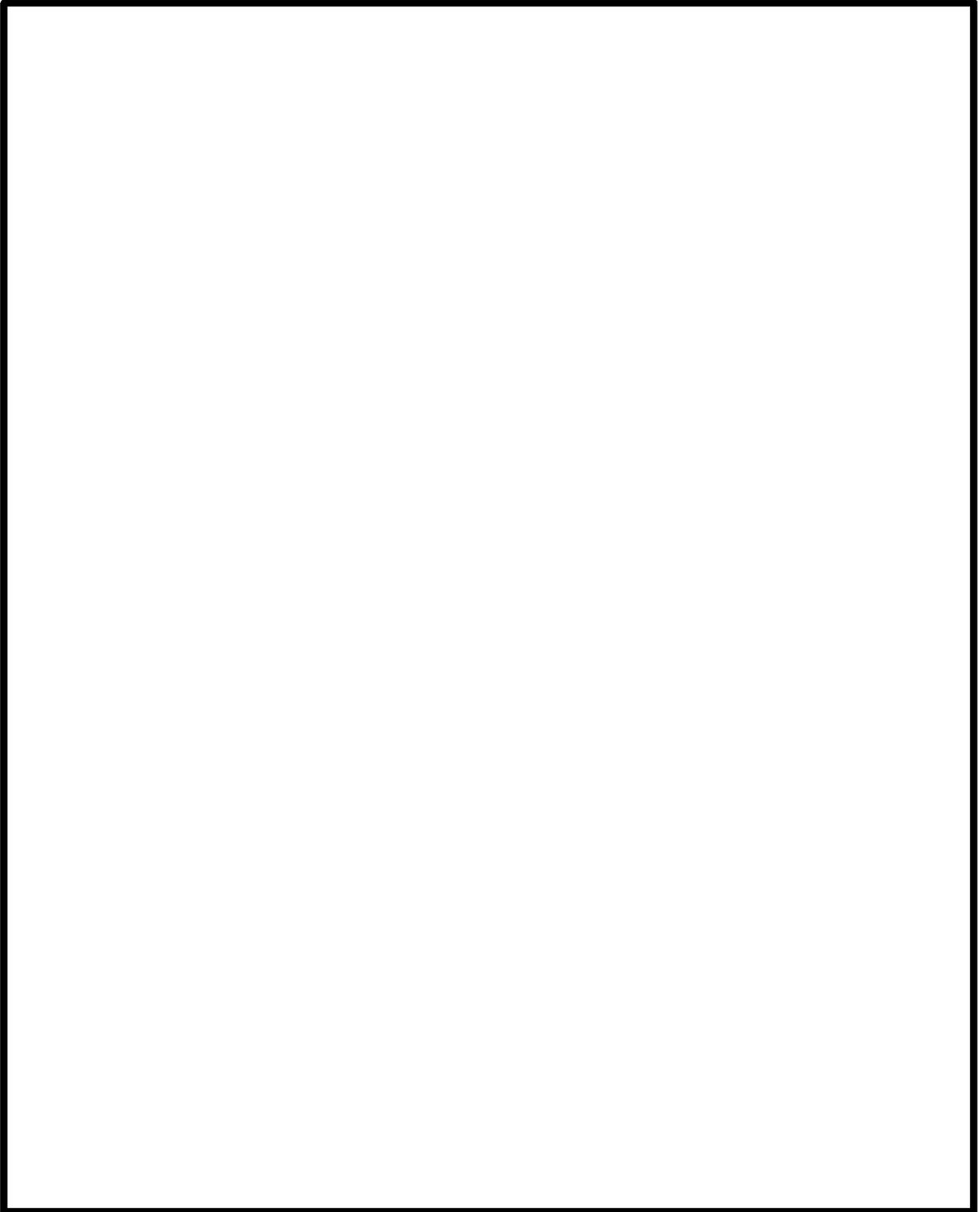
Page Three
EB-5 Regional Center Certification Request

(b)(4)



(b)(4)

(b)(4)



Additional Documents

We hereby submit the following documents:

1. Business Plan (Exhibit 10)
2. Draft Operating Agreement (Exhibit 11)
3. Draft Subscription Agreement to replace previously submitted Purchase Agreement (Exhibit 12)
4. Draft Escrow Agreement to replace previously submitted Escrow Agreement (Exhibit 13)
5. List of proposed reputable financial institutions to serve as Escrow Agent (Exhibit 14)
6. Draft of an Offering Letter (Exhibit 15)

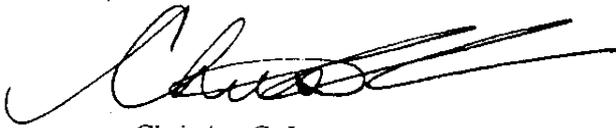
Due Diligence & Oversight Reporting Responsibilities

As mentioned above, California Wineries & Vineyards LLC will hire Burr Pilger Mayer LLP, an international tax accounting firm and member of Leading Edge Alliance (LEA) to provide accounting and audited financial services to the company each fiscal year. They will also be responsible for performing all due diligence and accounting services to each EB-5 investor.

California Wineries & Vineyards LLC will be also be responsible for keeping an internal accounting systems using Intuit Quickbooks to monitor all investment activities, income and expenses of the Regional Center. This accounting systems and its data will be available Burr Pilger Mayer LLP's audit any time. A copy of Burr Pilger Mayer LLP's brochure is attached hereto (Exhibit 16).

We hope that we have answered all the concerns raised by the USCIS and respectfully request that California Wineries & Vineyards LLC can be designated as one of the EB-5 Regional Center within Napa County.

Sincerely,



Christina C. Lau



U.S. Citizenship
and Immigration
Services

HQSCOPS 70/6.1.2-C

SEP 18 2008

Christina Lau
President
Natural Econometric Inc.
177 Bovet Rd, Ste. 600
San Mateo, CA 94402

Application: Request for Designation/Amendment of/Re-certification as a Regional Center
Applicants: Christina Lau
Proposed Enterprise: California Wineries & Vineyards, LLC Regional Center

RE: Proposal for Designation as a Regional Center under the Immigrant Investor Pilot Program.

REQUEST FOR ADDITIONAL EVIDENCE

This office is unable to complete processing of your request without further information. **Please read and comply with those items requested below, then resubmit the evidence requested to the address listed below, including this letter, within 87 days.**

If your submission is more than several pages, please use acco-fasteners to attach the documents at the top of each page.

USCIS Foreign Trader, Investor & Regional Center Program
Office of Service Center Operations, Business & Trade Services
20 Massachusetts Avenue, NW **(Room 2123)**
Washington, DC 20529

What is the Immigrant Investor Pilot Program?

The Immigrant Investor Pilot Program ("Pilot Program") was created by Section 610 of Public Law 102-395 (October 6, 1992). This is different in certain ways from the basic EB-5 investor program.

The Pilot Program began in accordance with a Congressional mandate aimed at stimulating economic activity and creating jobs for U.S. workers, while simultaneously affording eligible aliens the opportunity to become lawful permanent residents. Through this innovative program, foreign investors are encouraged to invest funds in an economic unit known as a "Regional Center."

A Regional Center is defined as any economic unit, public or private, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment.

Initial evidence requirements.

1. 8 CFR 204.6 (m) states in pertinent part:

(3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the...[Chief, Office of Service Center Operations]..., which:

(i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

(ii) Provides in verifiable detail how jobs will be created indirectly;

(iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;

(iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and

(v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported [if any], and/or multiplier tables.

2. It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

In reference to 8 CFR 204.6(m)(3)(i) as stated above the geographical area must be contiguous and clearly delineated. It is most helpful to provide the following series of maps, charts or written descriptions:

- The entire desired Regional Center Area
- Standard Metropolitan Statistical Areas (SMSA's)
- Rural Areas (areas outside SMSA's with populations under 20,000 people)
- High Unemployment Targeted Employment Areas (TEA's) as determined by the Governor or designee, (1.) areas within SMSA's or 2.) population centers of

20,000 or more outside SMSA's; with unemployment rates 150% or more of the national rate)

- Census Tracts, Cities, Towns, Counties, etc.
- Unemployment Rates by Cities, Towns, Counties or Census Tracts, etc.

It appears that the requested area for the regional center may encompass two or more non-contiguous areas. Please provide a map clearly delineating a single contiguous area as the regional center area. Also, please provide a map depicting any standard metropolitan statistical areas, if any, within the desired area. Lastly, you have supplied information as to the areas that have been declared high unemployment areas by EDD, however, EDD was replaced by the governor by the Secretary of Business, Transportation and Housing (BTH) in April 2008. Please resubmit your request to BTH for confirmation of the information provided. See also, item 11, below, as a reference.

3. In reference to 8 CFR 204.6(m)(3)(ii) as stated above for a Regional Center it is imperative to fully explain indirect job creation, as well as the direct and induced jobs, if any. The requirement of creating at least 10 new full-time (35 hours per week) jobs per each individual alien investor may be satisfied by showing that, as a result of the investment and the activities of the new enterprise, at least 10 jobs per alien investor will be created directly or indirectly through an employment creation multiplier effect. Submit an Economic Analysis and model that shows and describes job creation for each category of economic activity (for example, manufacturing, food production/processing, warehousing, tourism and hospitality, transportation, power generation, agriculture, etc.) Aspects of this element of the proposal may be combined with items 7 and 8, below in a single economic analysis and job creation model.

Under the provisions of the INA which apply to the Immigrant Investor Pilot Program and specific amendments to the statute, especially in the 2002 amendment Per Public Law 107-273, enacted November 2, 2002, which clearly states:

"A regional center shall have jurisdiction over a limited geographic area, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments, and the other positive economic effects such capital investments will have."

When relying on econometric models for indirect job creation¹ it is imperative that "direct jobs" will be real identifiable jobs supported by wage reports or I-9 forms otherwise they must be explicitly identified as hypothetical in nature. Another method would be to predict jobs based on

¹ USCIS does not accept "construction jobs" in these permanent job creation forecasts as they are transient in nature and disappear when the construction is complete or are seasonal at best. However, support positions associated with construction jobs such as home supply product sales, routine maintenance and repair, and manufacturing of building materials can be included as indirect jobs in the calculations.

dollar amount invested in the overall project, this too must be made clear. This distinction will be critical at the I-829 removal of condition stage of the immigration process.

The current proposal does not contain any economic analysis or job creation predictions. Please provide them in response to this request for evidence. See also items 7 and 8, below.

4. In reference to 8 C.F.R. § 204.6(m)(3)(iii), a proposal must include a detailed statement regarding the amount and source of the capital that has been committed to the Regional Center, in addition to the description of the promotional efforts taken and planned by the Regional Center's sponsors. USCIS has interpreted the words, "amount and source of capital that has been committed to the Regional Center" to mean the capital sufficient to sustain the Regional Center distinct from immigrant investors' required capital investment in a new commercial enterprise within the Regional Center.

The detailed statement that is required to meet the regulatory requirement relating to the amount and source of capital committed to the Regional Center should include: 1.) the exact amount of funds that have been dedicated to the Regional Center to accomplish the goals of the Pilot Program; 2.) the source of such funds; 3.) whether the amount is sufficient to sustain the Regional Center; and 4.) evidence that the funds have already been committed to the Regional Center. None of the capital sustaining the Regional Center can come from immigrant investors' required threshold capital investment (as distinct from the new commercial enterprises' revenues). This separation of funds is necessary to enable the alien entrepreneur to qualify for the EB-5 immigrant investor classification.

The current proposal does not contain any information on this topic. Please provide it in your response.

5. Also, under 8 CFR 204.6(m)(3)(iii) as stated above for any individual alien investor who will be solicited by a Regional Center to invest the requisite capital into a Regional Center commercial activity, it will be incumbent on the Regional Center to engage in a due diligence process to establish that all sources of capital can be fully explained and clearly shown to have been lawfully obtained.

Submit a plan of proposed Regional Center operation which addresses how investors will be recruited and how the Regional Center will conduct its due diligence to accommodate the requirement that all immigrant investor funds will be lawfully obtained and describe what measures will be taken by the Regional Center to ensure and validate this. Will the submission of certain financial documents be required of foreign investors or will the Regional Center, for example, utilize a professional investigating firm to vet a potential investor's source of funds? What are your plans in this regard?

6. Lastly under 8 CFR 204.6(m)(3)(iii), USCIS interprets the words "promotional efforts" to mean an advertising or marketing program planned by the sponsors of the Regional Center that is

designed to attract immigrant investors to the Regional Center. Regional Center proposals require a full description of the past, current and future promotional activities for the Regional Center. This shall include a description of the budget for this activity as well as a statement as to the source of those funds used to accomplish this necessary task.

The current proposal does not contain any information on this topic. Please provide it in your response.

7. In reference to 8 CFR 204.6 (m)(3)(iv) as stated above a detailed prediction must be provided which includes the topics of regional or national impact, household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the Regional Center. This can be combined with items 3, above, and 8, below.

The current proposal does not contain any information on this topic. Please provide it in your response.

The proposal should not makes vague references to regional economic impacts but should provide actual monetary predictions and address the elements listed in USCIS regulations. The economic model and analysis requested in item 3, above, and item 8, below, will also need to address these specific points as listed here.

8. In reference to 8 CFR 204.6 (m)(3)(v) as stated above submit a complete and valid economic analysis sufficiently detailed to predict the overall economic impact to be made by the Regional Center. This can be combined with items 3 and 7, above.

The current proposal does not contain any information on this topic. Please provide it in your response.

Again it is stressed that the economic analysis that can be combined with items 3 and 7, above, must be sufficiently detailed to predict the overall economic impact and localized impacts to be made by the Regional Center' investment activities and projects.

9. The business aspects of the Regional Center must be fully explained as to its structure. This aspect of a proposal includes, but is not limited to, the following basic elements or samples of them as applicable to the business approach and structure to be used by the Regional Center:

- An overall Business Plan-mandatory
 - Draft Operating Agreement
 - Draft Partnership Agreement
 - Draft Subscription Agreement
 - Draft Escrow Agreements and Instructions (one for capital and one for any service fees)
- Such agreements usually include an "out clause" in the event of an unsuccessful visa process as a marketing tool but are not required.

- List of proposed reputable financial institutions to serve as the Escrow Agent(s)
- Draft of an Offering Letter, Memorandum, Confidential Private Placement Memorandum, or similar offering made in writing to an immigrant investor through the Regional Center.
- Draft Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center.

The current proposal does contain a stock purchase agreement and escrow agreement. Please provide a sample or draft of your offering instrument as well as any other items that are germane to your business structure.

10. The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether an approved and designated Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year², commencing with the initial year as follows:

Submit a description of the applicant's plans to administer, oversee, and manage the proposed Regional Center, including but not limited to such things as to identify, assess and evaluate proposed immigrant investor projects and enterprises; how the proposed Regional Center would perform "due diligence" as to whether investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how to monitor all investment activities affiliated, through or under the sponsorship of the proposed Regional Center, and to maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year. This is known as "due diligence" and is coupled with "oversight reporting responsibilities" to be fully explained if approved and designated.

11. With respect to the process by which a High Unemployment Area (USCIS TEA) is designated by the State. The exact and complete relevant language of the regulation that covers this may be found at 8 CFR 204.6(i), where it reads as follows:

² A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

State designation of a high unemployment area. The state government of any state of the United States may designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as an area of high unemployment (at least 150 percent of the national average rate). Evidence of such designation, including a description of the boundaries of the geographic or political subdivision and the method or methods by which the unemployment statistics were obtained, may be provided to a prospective alien entrepreneur for submission with Form I-526. Before any such designation is made, an official of the state must notify the... [Chief, Office of Service Center Operations]... of the agency, board, or other appropriate governmental body of the state which shall be delegated the authority to certify that the geographic or political subdivision is a high unemployment area.

Further clarification of the role of the state designated authority in the I-526 process is found at 8 CFR 204.6 (j) (6) (ii) (B) as follows:

(6) If applicable, to show that the new commercial enterprise has created or will create employment in a targeted employment area, the petition must be accompanied by:

.....

(ii) In the case of a high unemployment area:

.....

(B) A letter from an authorized body of the government of the state in which the new commercial enterprise is located which certifies that the geographic or political subdivision of the metropolitan statistical area or of the city or town with a population of 20,000 or more in which the enterprise is principally doing business has been designated a high unemployment area. The letter must meet the requirements of 8 CFR 204.6(i).
[Applicable sentence underlined above.]

It is hoped that the above references and information will be of help to you and the appropriate officials of the state with respect to your interest in seeking to establish a Regional Center through the Immigrant Investor Pilot Program that would focus within the state.

PLEASE NOTE: For your proposal submission and supporting evidence for items 1 through 11, above, as applicable, please use acco-fasteners to attach the documents at the top of each page or place in a three ring binder, and individually tab the written materials/responses which you submit for each of the applicable items listed above in items 1 through 11. Also, submit the information in duplicate.

Translations Any document containing a foreign language submitted to USCIS shall be accompanied by a full English translation that the translator has certified as complete and

accurate, and by the translator's certification that he or she is competent to translate from the foreign language into English.

Copies Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.

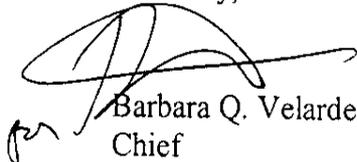
Address Changes.

If you change your address and you have a Regional Center proposal pending with USCIS, you may change your address by sending notification to:

**USCIS Chief of Service Center Operations
Attn: Program Manager, Foreign Trader, Investor and Regional Center Program.
20 Massachusetts Avenue, NW (RM. 2123)
Washington, DC 20529**

To make an inquiry or ask a question about the Regional Center Program you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov

Sincerely,

A handwritten signature in black ink, appearing to read 'Barbara Q. Velarde', with a large, sweeping flourish extending to the right.

Barbara Q. Velarde

Chief

Office of Service Center Operations



Natural Econometric Incorporated

May 23, 2008

U.S. Department of Homeland Security
20 Massachusetts Avenue, NW
Washington DC 20529

Re: Seeking Approval for EB-5 Regional Center of
Applicant: California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated

Dear Officer,

We are submitting this letter along with supporting documents to seek approval on California Wineries & Vineyards LLC as EB-5 Regional Center pursuant to Section 610 of the Appropriations Act of 1993.

The purpose of the application focuses on the following commercial activity:

1. Wine or table grape growing, harvesting, processing, wine making, warehousing, and sales to both domestic and overseas buyers.

The investment will be used for either:

1. Buying wineries and/or vineyards that are currently listing for sale; or
2. Investing into existing trouble wineries and/or vineyards that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).

These wineries and/or vineyards are located within the areas as listed below:

American Canyon city (population: 16293 as of 2008)
Arroyo Grande city (population: 17,036 as of 2008)
Buellton & Santa Rita Hills city (population: 4700 as of 2008)
Calistoga city (population: 5302 as of 2008)
Cambria city (population: 6,333 as of 2007)
Lompoc city (unemployment rate is 9.5%)
Los Alamos city (population: 1372 as of 2000)
Los Olivos city (population: 1093 as of 2008)
Santa Maria city (unemployment rate is 8.5%)
Santa Ynez City (population: 4584 as of 2000)

Page Two

May 23, 2008

California Wineries & Vineyards LLC EB-5 Certification Request

Solvang city (population: 5555 as of 2008)
Sonoma city (population: 9943 as of 2008)
St. Helena city (population: 5924 as of 2008)
Templeton city (population 4687 as of 2000)
Yountville city (population: 3263 as of 2008)
Napa county (unemployment rate is greater than 6.9%)
San Luis Obispo county (unemployment rate is greater than 6.9%)
Sonoma county (unemployment rate is greater than 6.9%)
Santa Ynez Valley (consists population of about 20,000 residents living in the communities of Solvang, Los Olivos, Santa Ynez, Buellton, and Ballard)
El Paso de Robles (Paso Robles) city

Except for the El Paso de Robles (Paso Robles), all of the above listed cities are either classified as Rural Area based on population under 20,000 or Targeted Employment Area that is determined by national unemployment rate and state agency, for California, that will be Employment Development Department. A copy of the 2007 report is enclosed. The unemployment rate is determined to be 6.9%.

The investment will be used for:

1. Employment creation and preservation when buying wineries and/or vineyards that are currently listing for sale; or
2. Employment preservation when investing into existing trouble wineries and/or vineyards that are facing financial needs – this will be supported by evidence of the number of full-time employment (35 hours per week) qualified full time employees whose positions will be preserved or maintained throughout the immigrant investor's period of conditional residency.

In support of this request, we hereby submit the following documents:

1. Report from Employment Development Department – Unemployment at Santa Maria & Lompoc city
2. 2007 Community Economic Profile on San Luis Obispo city – population at Arroyo Grande, Cambria, Paso Robles
3. Qualifying Unemployment Rate for Targeted Area – report from California State Agency Employment Development Department (May 2007 edition)
4. 2008 City Population by Ranking
5. Santa Ynez Valley Profile and outlook
6. Purchase Agreement

Page Three
May 23, 2008
California Wineries & Vineyards LLC EB-5 Certification Request

7. Escrow Instruction
8. Name Reservation for California Wineries & Vineyards LLC

Once this EB-5 Regional Center is being approved by the US Citizenship & Immigration Service, we will notify the following organizations so that they can encourage the wineries and vineyards to participate in this project:

1. California Wine Institute
2. Santa Barbara County Vintners' Association
3. San Luis Obispo Vintners Association
4. Napa Valley Vintners Association
5. Paso Robles Vintners & Growers Association
6. Sonoma County Vintners
7. Chamber of Commerce

Interested wineries and vineyards will submit their information to our online database system where investors can read the profile before investing.

We believe that this EB-5 Regional Center will greatly help the agricultural aspect of wine and table grape growing in California. In addition, it will also help...

(b)(4)

We hope that the USCIS can approve this EB-5 Regional Center so that the workers, wineries and vineyards in California can all benefit from this project. Thank you.

Sincerely,



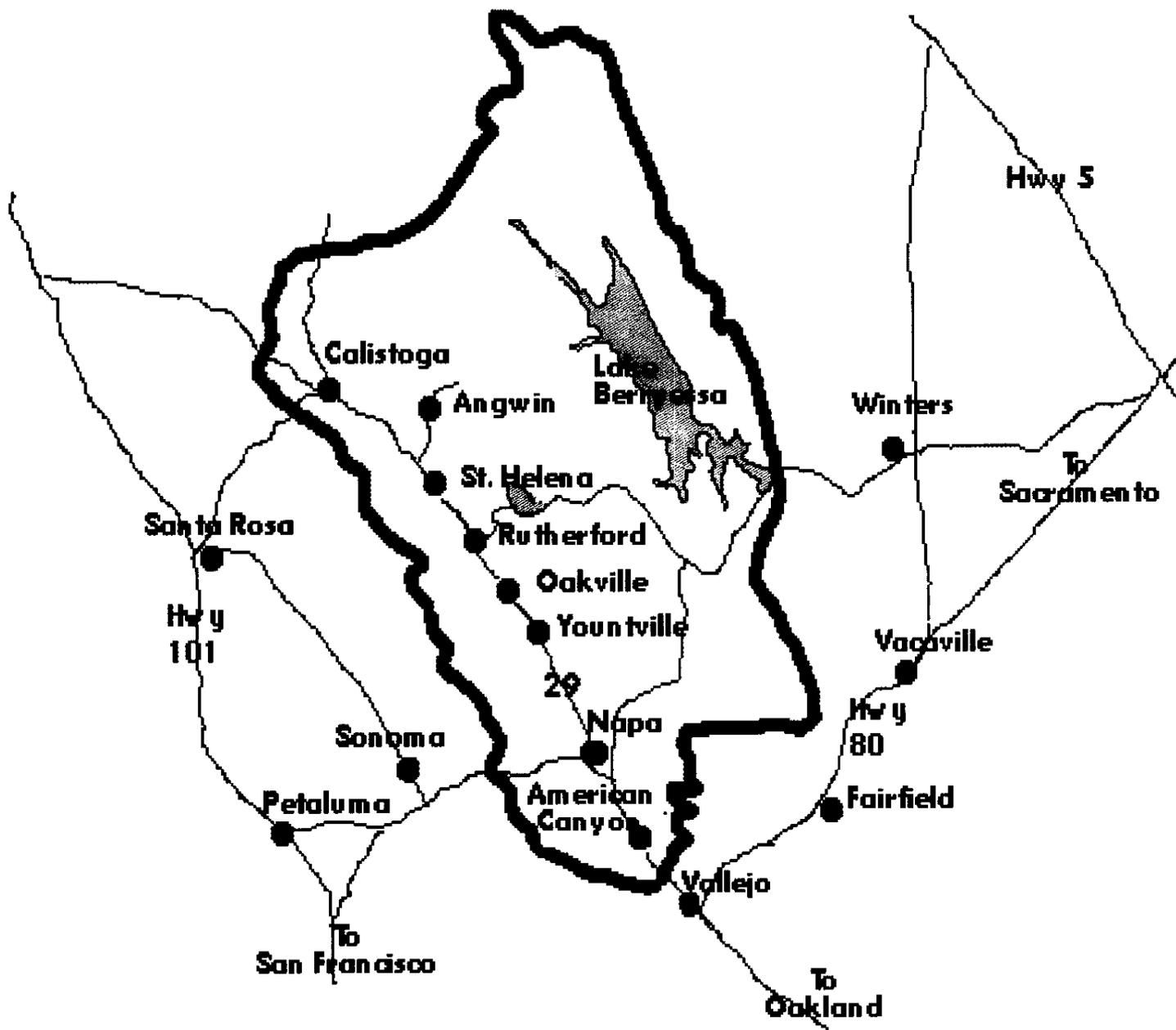
Christina C. Lau
President

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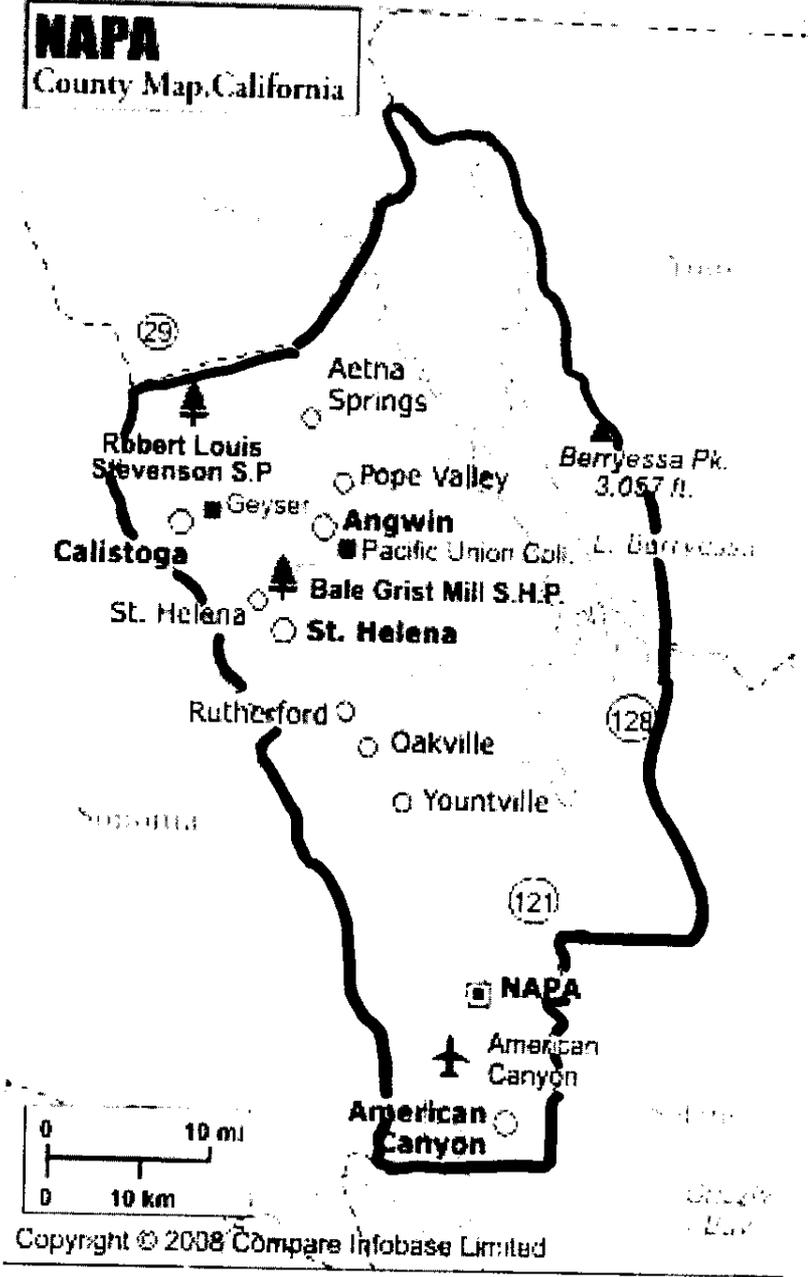
California Wineries
& Vineyards LLC –
Napa Vineyards
Fund

EB-5 Regional
Center Designation
Supporting
Documents

1	Napa County Map
2	Napa County Rural Area Maps (3)
3	Napa County Farmland Map
4	Napa County RIMS II Summary from BEA
5	Survey from California Wine Institute
6	Balance of Trade - Wine
7	Sample Vineyard Listings
8	Service Agreement - \$250,000 initial commitment to EB-5
9	EB-5 Investor Due Diligence Questionnaires
10	Business Plan
11	Draft Operating Agreement
12	Draft Subscription Agreement
13	Draft Escrow Agreement
14	Draft Offering letter
15	Proposed List of Escrow Agents



NAPA
County Map, California



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(Continued)

Region Definition: Napa, CA

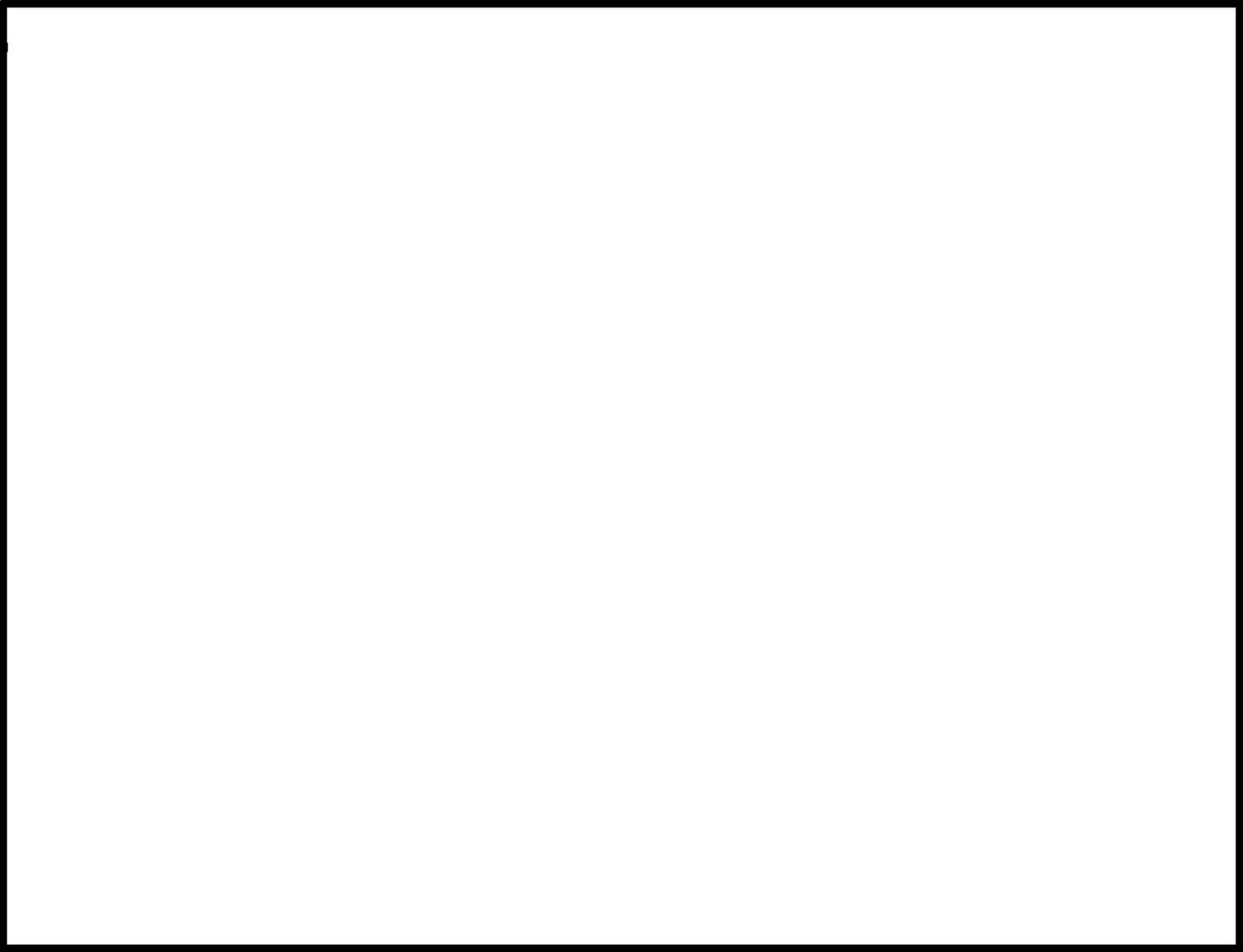
*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2006 data, the output delivered to final demand should be in 2006 dollars.
4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.
6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.--Multipliers are based on the 2006 Annual Input-Output Table for the Nation and 2006 regional data. Appendix C identifies the industries corresponding to the entries.

SOURCE.--Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

(b)(4)



Region Definition: Napa, CA

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2006 data, the output delivered to final demand should be in 2006 dollars.
4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
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6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.--Multipliers are based on the 2006 Annual Input-Output Table for the Nation and 2006 regional data. Appendix C identifies the industries corresponding to the entries.

SOURCE.--Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

A Signature California Industry

California Wine



Wine is the number one finished agricultural product in retail value in the U.S.



- ▶ California is America's top wine producer, making 90% of all U.S. wine.
- ▶ California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- ▶ California's high wine quality is tied directly to the state's ideal climate, topography, and soil for winegrapes, so the industry will always be based in California.
- ▶ California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- ▶ California's wineries are predominantly family owned and multi-generational.
- ▶ California wineries support their communities and are philanthropic.

California's Wine Industry Benefits the State and Nation

- ▶ Produces \$51.8 billion in economic value for California.
- ▶ Generates \$125.3 billion for the U.S. economy.
- ▶ Creates 309,000 jobs in California and a total 875,000 jobs nationwide.
- ▶ Pays \$10.1 billion in wages in California and a total \$25.2 billion nationwide.
- ▶ Makes \$13 billion in state and federal tax payments.
- ▶ Attracts 19.7 million tourists annually to all regions of California.
- ▶ Generates wine-related tourism expenditures of \$2 billion in California.
- ▶ Gives \$115 million in annual charitable contributions from California wineries.

California Wine and Wineries Offer Intangible Benefits to Communities:

- ▶ Enhance the quality of life.
- ▶ Promote farming and winemaking practices that are socially and environmentally responsible.
- ▶ Offer cultural attractions such as music, festivals, theater, gardens and museums.
- ▶ Support local retailers, restaurants, hotels and other businesses.
- ▶ Preserve open space and provide scenic pastoral landscapes.
- ▶ Build pride for rural communities.
- ▶ Bring positive visibility to California and the U.S. worldwide.

California Wine Industry Profile¹

Number of Bonded Wineries	2687 <small>Nearly all family-owned. Up 233% from 837 wineries in 1949</small>
Number of California Grape Growers	4,600
California Wine Sales to the U.S.	192 million cases in 2007 <small>Up 21% from 156 million cases in 1990</small>
Retail Value of California Wine in the U.S.	\$18.9 billion in 2007
Share of U.S. Wine Market	63% by value <small>Two out of three bottles sold in the U.S. are California wines</small>
U.S. Wine Exports (95% from California)	\$951 million winery revenues 2007 <small>Up 594% from \$131 million in 1990</small> 50 million cases to 125 countries <small>Up 117% from 12 million cases in 1990</small>
Winegrape Acres	527,000 <small>Though vineyards cover less than 1% of the state's terrain</small>
Tons Harvested of Winegrapes	3.2 million
Farm Gate Value of Winegrapes	\$1.82 billion

Source: Wine Institute and MKF Research LLC

What Wine Institute Supports

- ▶ Legislation and regulation that serve to encourage growth of the California and U.S. economy.
- ▶ Sensible and reasonable immigration reform that protects U.S. borders and ensures a reliable workforce.
- ▶ Funds for agricultural research to remain competitive in the global marketplace.
- ▶ Fair taxation and science-based regulation.
- ▶ Liberalized direct-to-consumer shipping.
- ▶ Leveling the playing field for California wine exports by reducing high tariffs and eliminating other trade barriers.
- ▶ Sustainable winegrowing and winemaking practices.
- ▶ Public policy and educational initiatives that promote the responsible and moderate consumption of wine.
- ▶ A Code of Advertising Standards that requires responsible marketing practices by Wine Institute members.

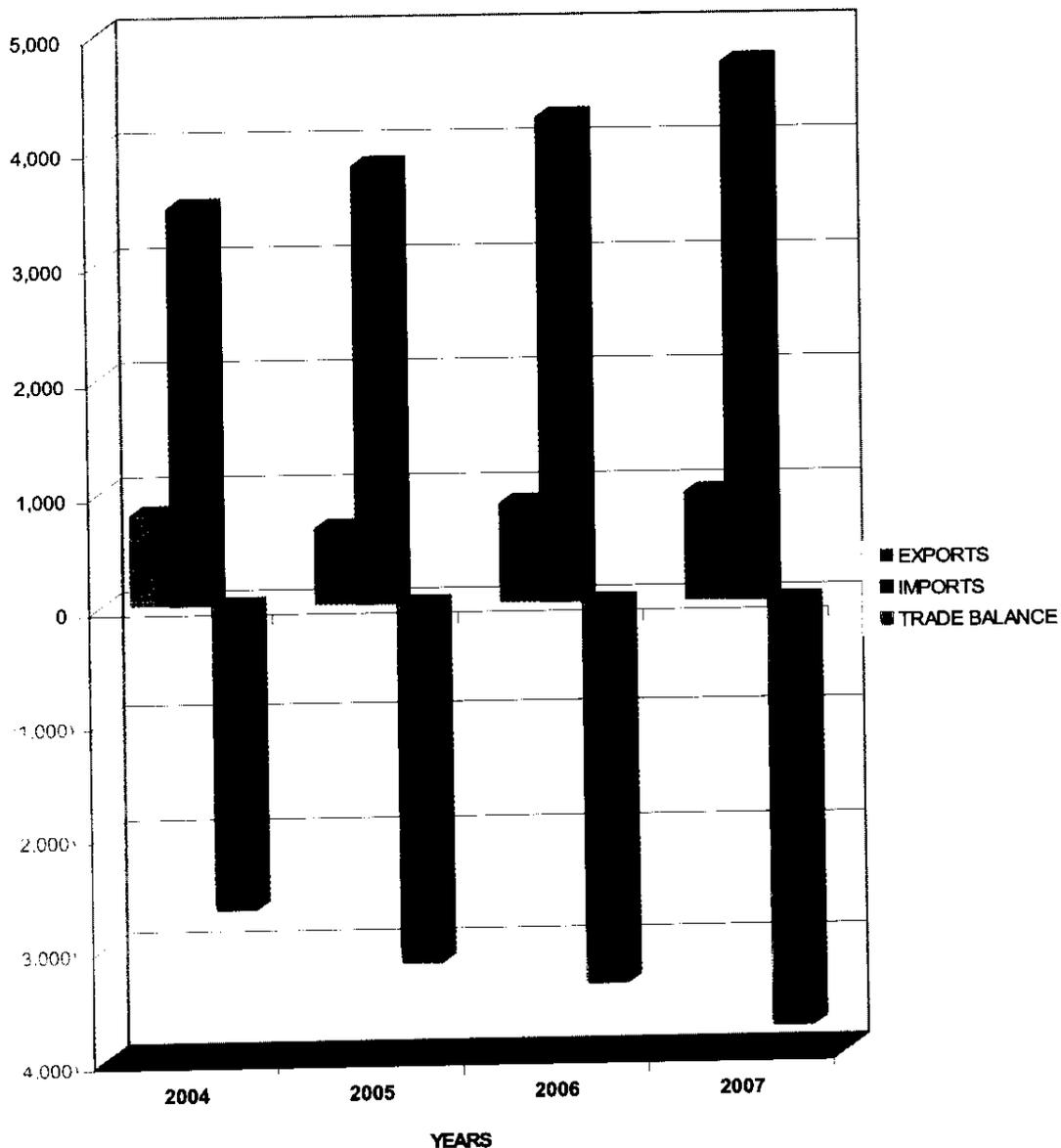


WINE INSTITUTE
THE VOICE FOR CALIFORNIA WINE

Established in 1934, **Wine Institute** is the public policy advocacy group for nearly 1,100 California wineries and affiliated businesses. For more information, contact Wine Institute, 415-512-9151, or www.wineinstitute.org, 425 Market Street, Suite 1000, San Francisco, CA 94105

UNITED STATES WINE EXPORTS, IMPORTS AND BALANCE OF TRADE 2007

**US BALANCE OF TRADE (ALL CATEGORIES)
VALUE (\$000000)
2004 - 2007**



CALIFORNIA WINE EXPORT PROGRAM
425 Market Street, Suite 1000, San Francisco, CA 94105
Tel: 415-512-0151 Fax: 415-512-8416
Home Page: calwinexport.com



WINE INSTITUTE
THE VOICE FOR CALIFORNIA WINE

U.S. WINE EXPORTS						
Year to Date: January-December 2007 and 2006						
PARTNER COUNTRY <i>Ranked by 2007 Value</i>	Value (\$000)		Variance '07 v '06	Volume (Liters 000)		Variance '07 v '06
	<u>2007</u>	<u>2006</u>	<u>Percent</u>	<u>2007</u>	<u>2006</u>	<u>Percent</u>
EUROPEAN UNION TOTAL	\$474,359	\$486,980	(2.6%)	262,927	245,708	7.0%
Canada	\$234,408	\$190,478	23.1%	80,482	74,364	8.2%
Japan	\$63,205	\$72,564	(12.9%)	29,156	28,220	3.3%
Switzerland	\$26,127	\$14,490	80.3%	8,546	5,465	56.4%
Mexico	\$23,822	\$17,440	36.6%	13,334	9,632	38.4%
Korea, South	\$18,059	\$11,258	60.4%	6,792	4,332	56.8%
China	\$16,162	\$9,286	74.0%	5,694	3,474	63.9%
Singapore	\$8,755	\$5,830	50.2%	3,375	2,655	27.1%
Taiwan	\$7,768	\$7,316	6.2%	2,983	3,489	(14.5%)
Hong Kong	\$7,495	\$5,590	34.1%	3,867	3,086	25.3%
OTHER COUNTRIES	\$70,608	\$54,386	29.8%	36,020	24,051	49.8%
WORLD TOTAL	\$950,768	\$875,618	8.6%	453,176	404,476	12.0%

Source: U.S. Dept of Commerce, STAT-USA. Copyright: California Wine Export Program.

Preliminary numbers.

To convert liters to gallons, multiply liters by .26418

To convert liters to cases, divide liters by 9

Napa, California

1014 Bayview Avenue, Napa

Napa Valley Carneros Appellation



Price: \$1,295,000

Property Type: Land (Acreage), Vineyard

County: Napa

Wine Region: Napa Valley

Bedrooms:

Baths:

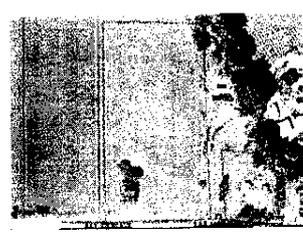
Home sq. ft.:

Lot Size: 5.85 acres

View: Viney



Lovely level 5.85 acres planted to Chardonnay, the perfect grape for this appellation Planted and trellised, 5'x10' spacing, drip irrigation. Two of Napa's finest Sparkling wine producers purchased the crop in '07. Also a scenic building site, surrounded by tall redwood trees, and overlooking Carneros.



Napa, California

Napa Valley Vineyard, Napa, CA

Napa Valley Vineyard



Price: \$2,200,000

Property Type: Residential, Rural Residential, Land (Acreage), Vineyard
County: Napa
Wine Region: Napa Valley
Bedrooms:
Baths:
Home sq. ft.:
Lot Size: 10 acres
View: Vineyard

10 level acres of Chardonnay vineyard in a beautiful country setting with room to build a home. Only 5 minutes to city of Napa, this property maintains its country feeling. Also for sale is an adjacent 5 acre parcel with separate access which includes a home and a 3 acre Merlot vineyard for \$1,400,000.

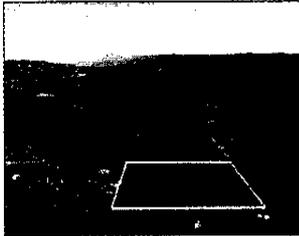
Beautiful Napa Valley, Napa County Real Estate listings and properties for sale, vineyards, wineries & country estates, ranches and acreage and affordable homes.

Napa, California

Villa Mille Rose, Oakville, CA

MLS #

Villa Mille Rose Vineyard is located in Oakville one of Napa Valley's most prestigious Appellations.



View of vineyard outlined in white

Price: \$10,975,000

Property Type: Land (Acreage), Vineyard, Investment

County: Napa

Wine Region: Napa Valley

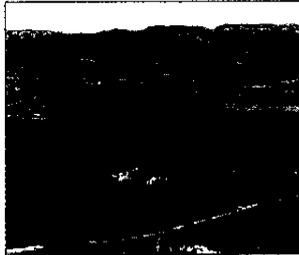
Bedrooms:

Baths:

Home sq. ft.:

Lot Size: 39± acres

View: Vineyard, Valley



View

Villa Mille Rose Vineyard is located in one of Napa Valley's most prestigious Appellations. Comprised of 39± total acres including 35± planted to Chardonnay and Merlot varietals. The land is graced by dramatic views of the surrounding valley, vineyards and Mount St. Helena. Neighboring Oakville Appellation vineyards and wineries include Silver Oak, Opus One, Screaming Eagle and Swanson Vineyards... to name a few. Easily accessible from both Highway 29 and the Silverado Trail. A truly one of a kind offering.

Napa, California

3165 Silverado Trail Napa, CA

Silverado Trail Vineyard: 49.05± Acre Parcel



View of vineyard



Vineyard view



Sunset over farmhouse



Lake view at sunset

Price: \$8,950,000

Property Type: Residential, Land (Acreage),
Vineyard

County: Napa

Wine Region: Napa Valley

Bedrooms:

Baths:

Home sq. ft.: 2,192±sf

Lot Size: 49.05± acres

View: Vineyard, Valley

49.05± Acre Parcel

IMPROVEMENTS:

Property Zoned for Winery Use

2,192±sf Original Farm House

1,000±sf Secondary Residence

Property Suitable for Family Compound

Variety of Barns and Outbuildings

VINEYARD:

Approximately 31.5 Planted Acres

Varietals: Merlot, Zinfandel, Petit Verdot & Syrah

Additional 10.5 Plantable Acres

Oak Knoll Appellation in Napa Valley

Riparian Water Rights to Napa River

Large Irrigation Holding Pond

(b)(4)

Preliminary Investor Questionnaire*

Please attach one (1) copy of the personal data page of your current passport

Investor Information

Name: _____
(LAST) (FIRST) (MIDDLE)

Home address: _____
(STREET)

(CITY) (STATE) (ZIP/POSTAL CODE)

Place of Birth: _____
(CITY) (STATE) (COUNTRY)

Date of Birth: ____/____/____ Country of Citizenship: _____
(MONTH / DAY / YEAR)

Marital Status: _____ Spouse Name: _____

Date of Marriage: ____/____/____ Spouse Date of Birth: ____/____/____
(MONTH / DAY / YEAR) (MONTH / DAY / YEAR)

Place of Birth: _____ Nationality: _____
(CITY) (STATE) (COUNTRY)

Children's Information

Name	Date of Birth <small>(mm/dd/yyyy)</small>	Place of Birth <small>(City, State, Country)</small>	Nationality
	/ /		
	/ /		
	/ /		
	/ /		

Investors Suitability

Please check one of the following:

- a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase;
- a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;
- a bank, insurance company, registered investment company, business development company, or small business investment company;
- an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
- a charitable organization, corporation, or partnership with assets exceeding \$5 million;
- a director, executive officer, or general partner of the company selling the securities;
- a business in which all the equity owners are accredited investors; or
- a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

Have you or your spouse ever been denied entry to the U.S.? If yes, please briefly explain the circumstances.

Have you or your spouse ever been convicted of a crime? _____

Do you know of any medical condition that may disqualify you, your spouse or your children under the age of 21 from receiving U.S. immigrant visas?

Summarize your past work experience(s) (job title, dates started/ended, and company name(s)), including your present occupation.

Will you be able to clearly document that the cash required to make your investment comes from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments, inheritance, gifts or loans?

Summarize how you acquired your wealth, including the source of the investment funds. _____

(SIGNATURE OF APPLICANT)

____/____/____

(MONTH / DAY / YEAR)

*NOTE: To satisfy banking laws, the above information will be shared with U.S. Bank National Association, the Escrow Agent for the Fund.

Secondary Investor Questionnaire

Please answer all of the questions. Please enter N/A if the question is non-applicable.

PRIMARY APPLICANT INFORMATION

NAME _____
(Last) (First) (Middle Initial)

GENDER: Male Female

OTHER NAMES USED OR ALIASES (i.e. maiden name) _____

FULL NAME IN NATIVE ALPHABET _____

SOCIAL SECURITY # _____ A# _____

ADDRESS _____
(Street # and Name) (Apt. #)

(City or Town) (State or Province)

(Country) (Zip or Postal Code)

TELEPHONE NUMBER _____
(Country Code) (Area Code) (Number)

FAX NUMBER _____
(Country Code) (Area Code) (Number)

EMAIL ADDRESS _____

WHAT IS YOUR CURRENT OCCUPATION? _____

ENGLISH LANGUAGE NEED TRANSLATOR CONVERSATIONAL FLUENT

OTHER FOREIGN LANGUAGES _____

ANTICIPATED DATE OF YOUR PETITION SUBMISSION _____
(MM) (DD) (YYYY)

APPLICANTS LIVING IN THE UNITED STATES

U.S. ADDRESS _____
(Street # and Name) (Apt. #)

(City or Town) (State or Province)

(Country) (Zip or Postal Code)

DATE OF ARRIVAL ____ / ____ / ____ TYPE OF VISA: _____
(MM) (DD) (YYYY)

1-94 # _____ CURRENT NON-IMMIGRANT STATUS _____

EXPIRES ON ____ / ____ / ____
(MM) (DD) (YYYY)

PRIMARY APPLICANT'S NET WORTH

LOCATION OF ASSETS: UNITED STATES ABROAD BOTH

IF ABROAD, WHICH COUNTRY? _____

ASSETS

CHECKING ACCOUNT	\$ _____
SAVINGS ACCOUNT	\$ _____
INVESTMENTS (STOCKS, BONDS & MUTUAL FUNDS)	\$ _____
BUSINESS INCOME	\$ _____
REAL ESTATE	\$ _____
INHERITANCE	\$ _____
GIFT	\$ _____
OTHER (EXPLAIN ON SEPARATE SHEET)	\$ _____
TOTAL	\$ _____

LIABILITIES

MORTGAGE	\$ _____
OTHER LOANS (EXPLAIN ON SEPARATE SHEET)	\$ _____
TOTAL	\$ _____

TOTAL NET WORTH \$ _____

SOURCE OF FUNDS FOR \$545,000 INVESTMENT

***Please use an additional sheet if necessary.**

OF THE ABOVE ASSETS, WHICH WILL CONTRIBUTE TO THE \$545,000 INVESTMENT?

ASSET _____ \$ _____

TOTAL INVESTMENT **\$545,000**

Investor Documents for I-526 Application

One copy of each document below must be submitted with the application. Originals should be retained for presentation at the consulate interview.

All documents must be in English or be accompanied by English translations certified by a competent translator and sworn to before a Notary Public.

Passports

Clear copies of passport for each member of the family. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include applicant, spouse, and all unmarried children under the age of 21.

Family Certificates

Copies of birth, marriage (or divorce) certificates.

- **Birth Certificate:** One certified copy of the birth certificate for each person named in the application. Birth records must be presented for all unmarried children under the age of 21 even if they do not wish to immigrate at this time.
- **Marriage Certificates:** Certified copy of marriage certificate. Proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

Police Certificates (only apply to US Consulate immigrant visa applicant)

Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least six months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

Court/Prison Records

Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

Military Records (only apply to US Consulate immigrant visa applicant)

A certified copy of any military record.

Photographs

2 color photographs in passport style are required. No head covering or dark glasses should be worn.

Financial Statements

Financial information that evidences a net worth of at least U.S. \$545,000. Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement, etc.

Resumé

Information on the Investor detailing education, employment history, and business experience.

Source of Funds

The Investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law.

Transfer of Funds

California Wineries & Vineyards LLC will provide evidence that the initial deposit has been placed in an escrow account prior to filing the application. The escrow account is established in a protected, interest-bearing account with a bank or legal counsel in the U.S. or overseas.

Questionnaire

The Investor must complete a preliminary and secondary investor questionnaire for California Wineries & Vineyards LLC. If the questionnaire is completed in the Investor's native language, an English translation must be provided.

All agreements and forms are available to the Investor for review prior to making any investment decisions. Documents are written in English to comply with U.S. law.



California Wineries & Vineyards LLC
(CWWRC – a USCIS Designated EB-5 Regional Center)

Napa Vineyards Fund

(b)(4)

Purpose of Fund

- We are a USCIS designated EB-5 Regional Center within Napa County located in Northern California
- We are to raise up to \$49 million for Napa Vineyards Series Fund for acquiring:
 - vineyards/farmland and infrastructure producing wine grapes
 - wineries (including troubled wineries will be defined as under 8 CFR 204.6(e))
- We are allow to seek up to 98 accredited foreign investors, as defined under SEC Regulation D – each will contribute \$500,000 into this Fund that can bring good prospect of economic impact to Napa County and at the same time can gain permanent residency to the United States

(b)(4)

Commercial Activity Involved

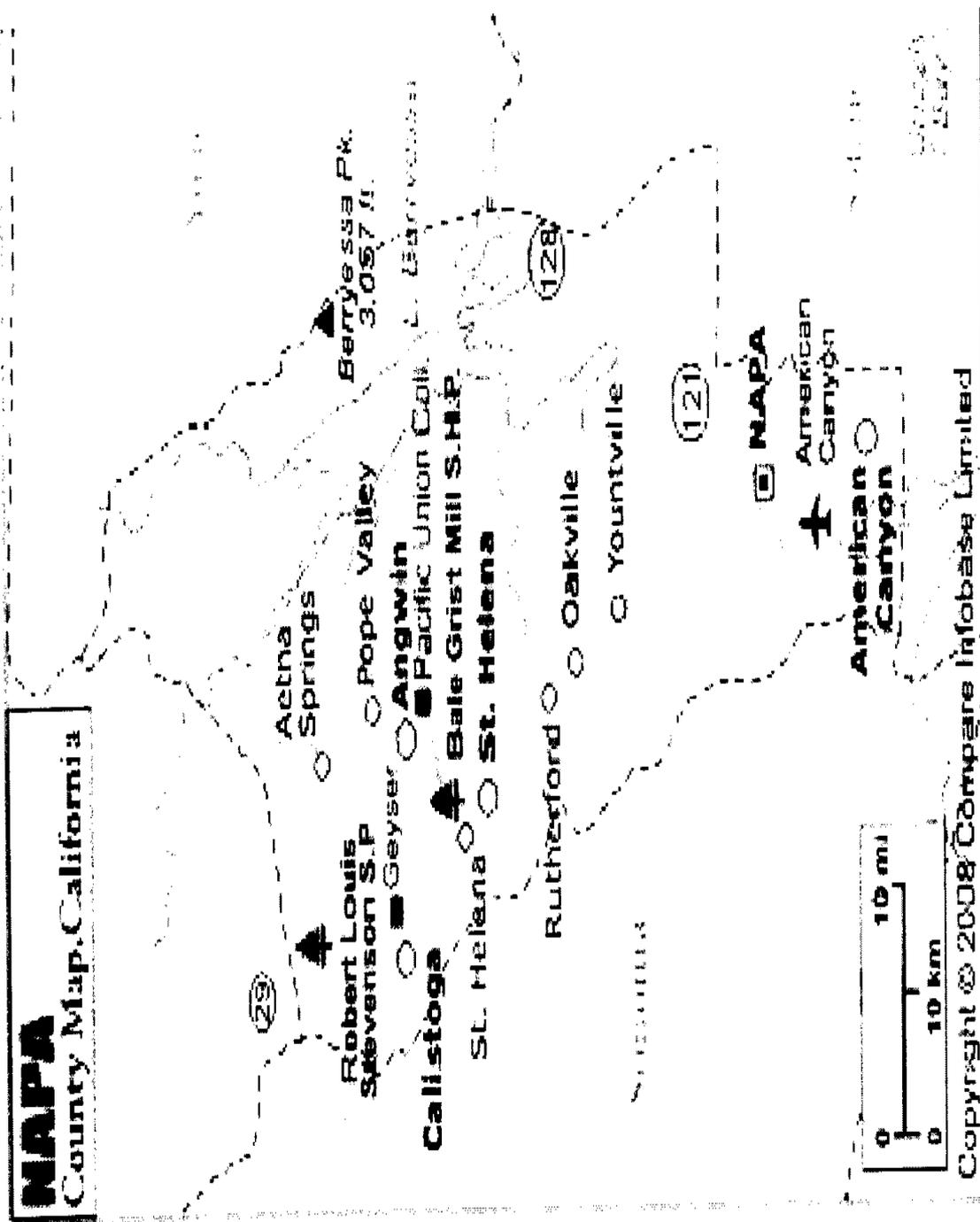
Wine grape growing in Napa county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Napa Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Napa county:

- Wine or table grape growing, harvesting and processing
- Wine making, manufacturing and bottling
- Wine warehousing & storage
- Wholesale and retailer trade to both domestic and overseas buyers
- Truck transportation

The Fund Brings Following Benefits to Napa County

- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide

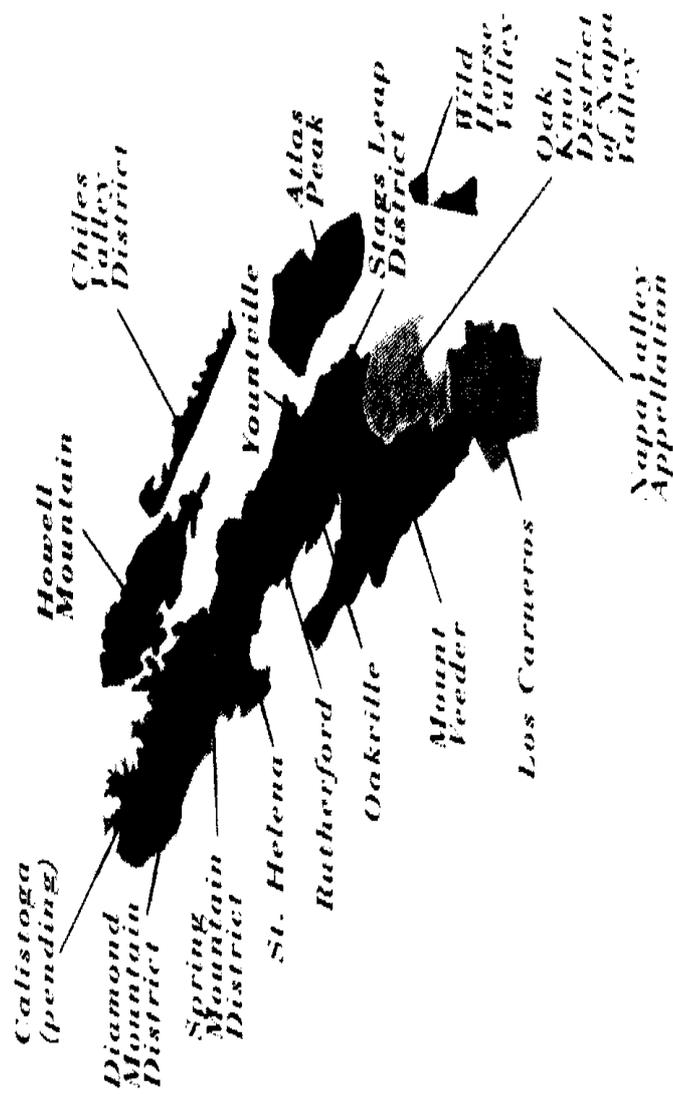
Overview of Napa County



Wine in Napa Valley

- Napa Valley is widely considered one of the top AVAs in California, and all of the United States
- Napa Valley's boutique wineries produce some of the world's best wines. The producers of these wines include but are not limited to: Araujo, Bryant Family, Colgin Cellars, Dalla Valle Maya, Diamond Creek, Dominus Estate, Duckhorn Vineyards, Dunn Howell Mountain, Grace Family, Harlan, Husic, Kistler, Jericho Canyon Vineyards, Marcassin, Screaming Eagle, Shafer Hillside Select, Sine Qua Non, Spencer-Rolosen Winery and Vineyard 29.
- During the early decades of winemaking in the Napa Valley, grapes were often planted in patchwork pattern vineyards in which many varieties were mixed. But experience has since shown the wisdom of matching grapes with locations whose microclimates and soils are best suited to particular grape varieties.
- Today Napa Valley features more than three hundred wineries and grows many different grape varieties including Cabernet Sauvignon, Chardonnay, Merlot, Zinfandel, and other popular varietals. Napa Valley is visited by as many as five million people each year.

Wine Appellation Chart



Appellations

The Napa Valley is itself an appellation. Within the Napa Valley appellation exists 14 subappellations, or AVAs, including: Atlas Peak, Chiles Valley District, Diamond Mountain District, Howell Mountain, Los Carneros, Mt. Veeder, Oakville, Rutherford, St. Helena, Spring Mountain District, Stags Leap District, Yountville, Wild Horse Valley and Oak Knoll District of Napa Valley. The Calistoga appellation is still pending approval.

- **Atlas Peak AVA**

Climate: Cool, mountain-influenced, with temperatures about 10 to 15°F cooler than the Valley floor in summer. Above the fog line, there is a low diurnal change, with summer temperatures rarely above 90°F (30°).

Elevation: 760 to 2600 ft (231m to 792m).

Rainfall: 38 inches (96 cm) annually.

Soils: Volcanic in origin, with basaltic red color, shallow with limited water retention, so irrigation is often essential.

Principal varieties & characteristics: Cabernet Sauvignon: Bright berry and cherry fruit, and more acidity than wines from Stags Leap District. Chardonnay: Crisp, flora, aromatic, with distinctive pear-mineral flavors and bright acidity.

- **Chiles Valley District AVA**

Climate: Fairly warmer summer days (mid-80°F plus), but due to higher elevation and summer fog at night, quite chilly at night (below 50°F). With colder winters and spring, as well as strong winds, harvest comes later than on valley floor at Oakville.

Elevation: 800 to 1300 ft. (242 to 394m).

Rainfall: 35 inches (88cm) annually.

Soils: On the valley floor, primarily alluvial soils with silty-clay composition of marine origin, with good fertility. Hillsides show more clay-loam and stony-clay composition, mostly marine in origin, with some volcanic outcropping, and less fertility.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Cabernet Franc: Cabernets usually reveal a lush yet firm texture with good acidity, firm tannin and distinctive cherry-blackberry flavors. Merlot typically has vibrant black cherry flavors mixed with a touch of cocoa.

- **Diamond Mountain District AVA**

Climate: Moderately warm temperatures with lower maximum temperatures and higher minimum temperatures than north Napa Valley floor, due to topography and altitude. Significantly cooler than valley floor near Calistoga, 50 to 95°F in growing season (10 to 32°C).

Elevation: 400 to 2200 ft. (130 to 530 m)

Rainfall: 40 to 55 inches (135cm) annually.

Soils: Residual uplifted soils of volcanic origin, often reddish and very fine-grained, even gritty in texture, composed of both weathered sedimentary and volcanic origin.

Principal varieties & characteristics: Cabernet Sauvignon, Cabernet Franc: firmly structured, rich and fairly tannic when young, with strong blackcurrant, mineral, and cedary flavors. Less supple and fleshy than valley or benchland wines, with good aging potential. Chardonnay: Full-bodied, yet revealing mineral, green apple-peach aromas with fairly firm acidity; less richly textured than valley floor wines.

- **Howell Mountain AVA**

Climate: Similar to the facing Spring Mountain AVA, however slightly warmer and dryer overall due to strong afternoon sun influence. Fairly cool nights in both ranges and higher elevations help maintain good acidity.

Elevation: 600 to 2200 ft (184 to 675m).

Rainfall: 40 to 50 inches (125cm) annually.

Soils: Predominantly volcanic, shallow and infertile. Drainage is high, fertility low.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Zinfandel: Powerful, firm, blackberry-currant flavors and often richly tannic, with excellent acidity for aging. Chardonnay, Viognier: Sinewy, firm and not as fruity as those of the valley floor, revealing more citrus and stone fruit flavors.

- **Los Carneros AVA**

Climate: Cool, with prevailing marine winds from the San Pablo Bay and through the Petaluma Gap to the west. High temperatures during summer rarely exceed 80°F (27°C) with less diurnal range variation.

Elevation: 15 to 400 ft. (4.6 to 124 m)

Rainfall: Lowest in Napa Valley: 18 to 24 inches (7.2 to 9.6 cm) annually.

Soils: Clay dominated, very shallow in general, with more loam and hillside alluvials in the northern section. Yields typically are restrained by the hard claypan subsoil, which prevents deep-rooting.

Principal varieties & characteristics: Chardonnay: minerally pear-apple and spice flavors. Merlot: sinewy and lightly herbal, with fine tannins and sleek structure. Pinot Noir: ripe cherry-cinnamon spice flavors with earthy notes.

- **Mount Veeder AVA**

Climate: Cool to moderate, with most vineyards above the fog-line, meaning warmer nights and cooler days and less diurnal range than the valley floor. Typical mid-summer high temperatures about 85°F (30°C).

Elevation: 600 to 2100 ft. (183 to 650m).

Rainfall: 35 inches (87.5cm) annually.

Soils: Sedimentary based, former seabed, shallow and generally well drained, as well as more acidic, with low fertility. Most have a sandy or sandy-loam texture.

Principal varieties & characteristics: Ageability is a hallmark of Mt. Veeder wines. Cabernet Sauvignon, Merlot, Zinfandel: Low yields give red wines a firm, tannic structure with strong earth-berry aromas and rich, but powerful flavors. Chardonnay: minerally, apple, even citrus flavors with good acidity.

- **Oak Knoll District of Napa Valley AVA**

Climate: Moderate to cool: marine air and fog can remain until mid-morning. Late afternoon breezes frequently occur, maintaining slightly cooler temperatures than upper valley. Mid-summer temperatures may reach 92 degrees F (31.5 C) and drop to around 50F (10C) at night.

Elevation: sea level to 800 feet (244m)

Rainfall: 36 inches (90cm) annually.

Soils: The valley's largest alluvial fan formed by Dry Creek creates the defining feature of the district. The northwest area is composed of volcanically derived soils, with stony or gravelly consistency. South and east areas are transitional from gravel to silty clay loam.

Principal varieties & characteristics: Merlot, Chardonnay and Cabernet Sauvignon. Merlot and Cabernet Sauvignon benefit from a longer growing season with slightly cooler temperature, though crop size is typically less than in other AVAs. Elegant style is the common note with fruit flavors of cassis, tobacco and spice typical to Bordeaux-style reds. Chardonnay showcases flavors of crisp apple, mineral notes and tropical fruit with fine acidity.

- **Oakville AVA**

Climate: Moderately warm, with temperatures commonly in the mid-90°F range in high summer, but also still strongly affected by night and early morning fog which helps keep acidity levels good. East side of the AVA receives more of warmer afternoon sun.

Elevation: 75 to 500 ft (23 to 150m).

Rainfall: 35 inches (87.5 cm) annually.

Soils: Primarily sedimentary gravelly alluvial loams on the western side, with more volcanic but heavier soils on the eastern side. Low to moderate fertility and fairly deep, with average water retention.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot: Ripe currant and mint flavors, rich texture and full, firm structure tempered by rich fruit. Sauvignon Blanc: Full, steely, yet very fleshy, and not especially crisp.

- **St. Helena AVA**

Climate: Warm, due to greater protection from western hills, with less fog or wind incursions. The narrowing of the valley floor provides more heat reflection off the hillsides. Mid-summer temperature peak is often in the mid- to high 90°F range (31 to 35°C).

Elevation: 150 to 600 ft. (46 to 185m).

Rainfall: 38 to 40 inches (95 to 100cm) annually.

Soils: South and west borders are more sedimentary, gravel-clay soils, with lower fertility and moderate water retention. Further north and to the east soils are prevalently volcanic in origin and are deeper and more fertile.

Principal varieties and characteristics: Cabernet Franc, Cabernet Sauvignon, Merlot: deep, ripe, often jammy flavors, with firm tannins for structure, and appealing aromas of currant and black fruit. Rhone varieties (Syrah, Viognier): Fleshy, supple and slightly earthy. Zinfandel: Blackberry-like, well-structured.

- **Spring Mountain District AVA**

Climate: Similar to Mt. Veeder AVA, with cool weather prevailing and smaller diurnal changes. Fairly cool nights and higher elevations help maintain good acidity.

Elevation: 600 to 2200 ft (184 to 675m).

Rainfall: 40 to 50 inches (125cm) annually.

Soils: Primarily sedimentary; weathered sandstone/shale, loamy and friable in texture. Drainage is high, fertility low.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Zinfandel: Powerful, firm, blackberry-currant flavors and often richly tannic, with excellent acidity for aging. Chardonnay, Viognier: Sinewy, firm and not as fruity as those of the valley floor, revealing more citrus and stone fruit flavors.

- **Stags Leap District AVA**

Climate: Moderately warm, with afternoon marine winds acting as an 'air-conditioner' to cool the warmer air radiating off the bare rocks of Stags Leap itself and the surrounding hillsides. This AVA is often up to 10°F warmer than in Yountville AVA. Mid-summer temperatures can reach 100°F, but more regularly are in mid-90 range (32-34°C).

Elevation: 66 to 400 ft. (20 to 123 m).

Rainfall: 30 inches (75cm) annually.

Soils: Volcanic gravel-loams on the floor of the valley, with rocky hillsides, and low to moderate fertility due to hard clay bedrock subsoils 2 to 6 feet down.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Sangiovese: Distinguished by lush, velvety textures and fine perfumed cherry and red berry flavors, supported by soft tannins. Chardonnay, Sauvignon Blanc: Round and ripe, especially Sauvignon Blanc, yet retain excellent citrus and apple flavors.

- **Wild Horse Valley AVA**

Climate: A warmer area well to the east of Napa Valley proper, but still moderated by both altitude and prevailing winds coming off Suisun Bay to the Southeast.

Elevation: Wild Horse Valley 400 to 1500 ft. (123 to 460 m).

Rainfall: 35 inches (94 cm) annually.

Soils: Volcanic in origin, with basaltic red color, shallow with limited water retention, so irrigation is often essential.

Principal varieties & characteristics: Cabernet Sauvignon, Sangiovese: Bright berry and cherry fruit, and more acidity than wines from Stags Leap District. Chardonnay: Crisp, flora, aromatic, with distinctive pear-mineral flavors and bright acidity.

- **Yountville**

Climate: Moderate, with definite cool marine influence and fog contributing to cool summer mornings and the marine breeze keeping afternoons more comfortable than further up valley. Mid-summer peak temperatures may reach 90°F (31°C), with noticeable diurnal fluctuation to the mid-50°F range (13°C).

Elevation: 20 to 200 ft (6 to 61m).

Rainfall: 32 inches (80 cm) annually.

Soils: Principally gravelly silt loams, sedimentary in origin, and gravelly alluvial soils with rock, moderately fertile.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot: Yountville favors Cabernet and Merlot with ripe, violet aromas and rich, but supple flavors and firm tannins.

2008 Harvest Report

- Winegrowers across the renowned Napa Valley met the challenges of a crazy weather year, harvesting fruit with incredible concentration which, by all accounts, is showing 2008 as a low-yielding, yet high-quality vintage from Napa Valley. Mother Nature may have lightened the load in the vineyard, but what's being revealed in the winery is very well structured, concentrated, elegant wines.
- Each year growers and vintners adapt and change as the conditions in the field change day to day. The level of vine management in superior quality regions like Napa Valley find growers with tools to react to almost anything thrown at them, it has been said that agriculture in Napa Valley is nearly elevated to the art of horticulture in how each vine, each block is nuanced to grow these high-quality wine grapes. Twenty or 30 years ago, vineyard crews would work the vineyard three times: prune, sucker and pick. Today many viticulturists say their crews make more than 20 passes through each vineyard, individually managing each vine's canopy for optimal sun to shade exposure, positioning only the finest clusters to continue through veraison to harvest and pre-selecting from the vine the best to be taken to the winery for crush. While other winegrowing regions are bringing in 10, 12 or 16 tons per acre, Napa Valley vintners are keenly selective bringing in only the best, averaging not more than four tons per acre and in many cases far less. Of note, Napa Valley accounts for just 4% of California's production, yet its wines provide for about a third of the economic impact of the state's wine industry.

(b)(4)

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Investment Opportunity Vineyards



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Wine Industry in the California

- Wine is the number one finished agricultural product in retail value in the U.S.
- California is America's top wine producer, making 90% of all U.S. wine.
- California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- California's high wine quality is tied directly to the state's ideal climate, topography, and soil for wine grapes, so the industry will always be based in California.
- California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- Produces \$51.8 billion in economic value for California.
- Generates \$125.3 billion for the U.S. economy.
- U.S. Wine Exports (95% from California) is \$951 million winery revenues 2007 - up 594% from \$137 million in 1990.
- Creates 309,000 jobs in California and a total 875,000 jobs.
- Retail Value of California Wine in the U.S. \$18.9 billion in 2007.
- California Wine Sales to the U.S. 192 million cases in 2007- up 21% from 156 million cases in 1990.
- Attracts 19.7 million tourists annually to all regions of California.

(b)(4)

Organizations That We Work With

- California North Coast Grape Growers Association
- California Wine Institute
- Calistoga Chamber of Commerce
- Carneros Wine Alliance
- Napa Chamber of Commerce
- Napa Valley Chamber of Commerce
- Napa Valley Grape Growers Association
- Napa Valley Vintners Association
- Oakville Winegrowers
- Silverado Trail Wineries Association
- Stag's Leap District Winegrowers Association
- Wine Growers of Napa County
- Yountville Chamber of Commerce

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LIMITED LIABILITY COMPANY

OPERATING AGREEMENT

FOR

**CALIFORNIA WINERIES & VINEYARDS LLC
Napa Vineyards Fund**

A Manager-Managed Limited Liability Company

THIS LIMITED LIABILITY COMPANY AGREEMENT (the Agreement) is made and entered into this _____ day of _____, 2008 by California Wineries & Vineyards LLC and each individual or business entity later subsequently admitted to the Company. These individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member."

[Insert Member names]

As of this date the Members, through their agent, Natural Econometric Incorporated have formed the California Wineries & Vineyards Limited Liability Company named above under the laws of the State of California. Accordingly, in consideration of the conditions contained herein, they agree as follows:

ARTICLE I

Company Formation and Registered Agent

1.1 FORMATION. The Members hereby form a Limited Liability Company ("Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. A Certificate of Formation shall be filed with the Secretary of State.

1.2 NAME. The name of the Company shall be: CALIFORNIA WINERIES & VINEYARDS, L.L.C.

1.3 REGISTERED OFFICE AND AGENT. The location of the registered office of the Company shall be:

California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
177 Bovet Road, Suite 600
San Mateo, CA 94402



(b)(4)

1.5 CONTINUANCE OF COMPANY. Notwithstanding the provisions of ARTICLE 1.4, in the event of an occurrence described in ARTICLE 1.4(c), if there are at least two remaining Members, said remaining Members shall have the right to continue the business of the Company. Such right can be exercised only by the unanimous vote of the remaining Members within ninety (90) days after the occurrence of an event described in ARTICLE 1.4(c). If not so exercised, the right of the Members to continue the business of the Company shall expire.

1.6 BUSINESS PURPOSE. The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed under the Limited Liability statutes of the State of California.

1.7 PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Company shall be:

177 Bovet Road, Suite 600
San Mateo, CA 94402

or at such other place as the Managers from time to time select.



(b)(4)

1.9 ADMISSION OF ADDITIONAL MEMBERS. Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company's Napa Vineyards Fund through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

ARTICLE 2
Capital Contributions

2.1 INITIAL CONTRIBUTIONS. Each Member initially shall contribute to the Company capital as described in Exhibit 3 attached to this Agreement. The agreed value of is (b)(4)

2.2 ADDITIONAL CONTRIBUTIONS. Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's Napa Vineyards Fund.

ARTICLE 3
Profits, Losses and Distributions

3.1 PROFITS/LOSSES. For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Exhibit 2 as amended from time to time in accordance with Treasury Regulation 1.704-1.

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ARTICLE 4
Management

4.1 MANAGEMENT OF THE BUSINESS. The name and place of residence of each Manager is attached as Exhibit 1 of this Agreement. By a vote of the Members holding a majority of the capital interests in the Company, as set forth in Exhibit 2 as amended from time to time, shall elect so many Managers as the Members determine, but no fewer than one, with one Manager elected by the Members as Chief Executive Manager.

4.2 MEMBERS. The liability of the Members shall be limited as provided under the laws of the California Limited Liability statutes. Members that are not Managers shall take no part whatever in the control, management, direction, or operation of the Company's affairs and shall have no power to bind the Company. The Managers may from time to time seek advice from the Members, but they need not accept such advice, and at all times the Managers shall have the exclusive right to control and manage the Company. No Member shall be an agent of any other Member of the Company solely by reason of being a Member.

4.3 POWERS OF MANAGERS. The Managers are authorized on the Company's behalf to make all decisions as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of their management powers, the Managers are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing.

4.4 CHIEF EXECUTIVE MANAGER. The Chief Executive Manager shall have primary responsibility for managing the operations of the Company and for effectuating the decisions of the Managers.

4.5 NOMINEE. Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.6 COMPANY INFORMATION. Upon request, the Managers shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.7 EXCULPATION. Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the Members.

4.8 INDEMNIFICATION. The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.9 RECORDS. The Managers shall cause the Company to keep at its principal place of business the following:

- (a) a current list in alphabetical order of the full name and the last known street address of each Member;
- (b) a copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- (c) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;
- (d) copies of any financial statements of the limited liability company for the three most recent years.

ARTICLE 5 **Compensation**

5.1 MANAGEMENT FEE. Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services.

5.2 REIMBURSEMENT. The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

ARTICLE 6

Bookkeeping

6.1 BOOKS. The Managers shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Managers shall select. The company's accounting period shall be the calendar year.

6.2 MEMBER'S ACCOUNTS. The Managers shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:

- (a) any additional capital contribution made by him/her;
 - (b) credit balances transferred from his distribution account to his capital account;
- and decreased by:
- (a) distributions to him/her in reduction of Company capital;
 - (b) the Member's share of Company losses if charged to his/her capital account.

6.3 REPORTS. The Managers shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

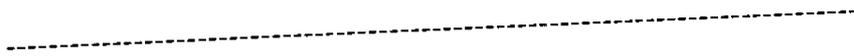
ARTICLE 7

Transfers

7.1 AGREEMENT TO REFRAIN FROM RESALE. Members will not transfer or attempt to transfer any of the Membership Interests or any interest therein (1) to any person who is not a bona fide resident of California for a period of at least five (5) years after the completion of the offering, or (2) in any manner or at any time other than as allowed by the regulations of the California Department of Corporations

Signed and Agreed this _____ day of _____ 20____.

Member _____ Member _____



LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS, L.L.C. - NAPA VINEYARDS FUND
LISTING OF MANAGERS

By a majority vote of the Members the following Managers were elected to operate the Company pursuant to ARTICLE 4 of the Agreement:

Natural Econometric Incorporated

Chief Executive Manager

Christina C. Lau

Printed Name

177 Bovet Road, Suite 600

Address Line 1

San Mateo, CA 94402

Address Line 2

Title: Operations Manager

Printed Name: Chak Kwan Wong

177 Bovet Road, Suite 600

Address Line 1
San Mateo, CA 94402

Address Line 2

The above listed Manager(s) will serve in their capacities until they are removed for any reason by a majority vote of the Members as defined by ARTICLE 4 or upon their voluntary resignation.

Signed and Agreed this _____ day of _____, 20__.

Member

Member

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS, L.L.C. - NAPA VINEYARDS FUND
LISTING OF MEMBERS

As of the _____ day of _____, 20__ the following is a list
of Members of the Company:

Pursuant to ARTICLE 2, the Members' initial contribution to the Company capital is stated to be \$ _____. The description and each individual portion of this initial contribution is as follows:

- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

SIGNED AND AGREED this ____ day of _____, 20____.

Member

Member

NAME: ADDRESS:

Authorized by Member(s) to provide Member Listing as of this _____ day of _____, 20__

Member

Member

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS, L.L.C. - NAPA VINEYARDS FUND
CAPITAL CONTRIBUTIONS

SUBSCRIPTION AGREEMENT

of

CALIFORNIA WINERIES & VINEYARDS LLC

(A California limited liability company)

Napa Vineyards Fund I

Pursuant to this Subscription Agreement of CALIFORNIA WINERIES & VINEYARDS LLC (the "LLC"), the undersigned EB-5 Immigrant Investor ("Investor") hereby subscribes to become a Member in the LLC's NAPA VINEYARDS FUND I and to purchase a Membership Interest in the LLC by investing the amount indicated herein, all in accordance with the terms and conditions of this Subscription Agreement, the Limited Liability Company Operating Agreement of CALIFORNIA WINERIES & VINEYARDS LLC (the "Operating Agreement"). All capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Offering Circular.

1. **SUBSCRIPTION FOR MEMBERSHIP INTERESTS.** Investor hereby subscribes for a Membership Interest in the LLC as follows:

(b)(4)

PLEASE MAKE CHECK PAYABLE TO CALIFORNIA WINERIES & VINEYARDS LLC, AND MAIL THIS COMPLETED AND SIGNED SUBSCRIPTION AGREEMENT TO CALIFORNIA WINERIES & VINEYARDS LLC, C/O NATURAL ECONOMETRIC INC., 177 BOVET ROAD, SAN MATEO, CA 94402.

(b) EXACT NAME OF INVESTOR _____

(c) **FORM OF OWNERSHIP:** Please indicate the form of ownership in which INVESTOR will hold title to the Membership Interest. INVESTOR should seek the advice of an attorney in deciding because different forms of ownership can have varying gift tax, estate tax, income tax and other consequences. Check one:

- INDIVIDUAL OWNERSHIP
- COMMUNITY PROPERTY
- JOINT TENANTS WITH RIGHT OF SURVIVORSHIP
- TENANTS IN COMMON
- LIMITED PARTNERSHIP

(d) INVESTOR'S ADDRESS: _____

INVESTOR'S PHONE NUMBER: _____
 INVESTOR'S EMAIL: _____

2. **INVESTOR SUITABILITY.** Investor represents and warrants as follows:

(a) If Investor is an individual, then he or she (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of US\$1,000,000; or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of US\$250,000 and an annual gross income of \$350,000 for the two (2) recent years and will continue to have such income for the next five (5) years.

(b) If Investor is a trust, corporation, or other entity, then the principal immigrant investor: (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of US\$1,000,000; or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of US\$250,000 and an annual gross income of \$350,000 for the two (2) recent years and will continue to have such income for the next five (5) years.

3. **ACKNOWLEDGEMENT AND AGREEMENT.**

(a) Investor acknowledges and agrees that this subscription cannot be withdrawn, terminated, or revoked. Investor agrees to become a Member of the LLC and to be bound by all the terms and conditions of the Operating Agreement and Offering Circular. This subscription shall be binding on the heirs, executors, administrators, successors and assigns of Investor. This subscription is not transferable or assignable by Investor.

(b) Investor acknowledges and agrees that this subscription may be rejected, in whole or in part, by the Manager in its sole and absolute discretion. If this subscription is rejected, in whole or in part, or if the Minimum Offering Amount is not raised, then Investor's funds shall be returned, in whole or in part, without interest. This subscription shall be binding on the LLC only upon acceptance by the Manager.

(c) Investor acknowledges and agrees that neither the execution, nor the acceptance of this Subscription Agreement, makes Investor a Member of the LLC. Investor will become a Member only when Investor's funds are transferred to the LLC's Napa Vineyards Fund I's bank account and a Membership Interest is issued to Purchaser. Until that time, Investor shall have only the rights set forth in this Subscription Agreement.

(d) Investor acknowledges and agrees that Purchaser's rights and responsibilities will be governed by the terms and conditions of this Subscription Agreement, the Operating Agreement, and the Offering Letter. The LLC will rely upon the information provided in this Subscription Agreement and Due Diligence Questionnaire to confirm that Investor is qualified to invest in the LLC's Napa Vineyards Fund I.

4. **REPRESENTATIONS AND WARRANTIES.** Investor, on behalf of himself, herself, or the entity or trust purchasing the Membership Interest, represents, warrants, and agrees as follows:

(a) Investor has received and read the Offering Letter and its exhibits, and is thoroughly familiar with the proposed business, operations, and financial condition of the LLC. Investor has relied solely upon the Offering Letter and independent investigations made by Investor or Investor's representative with respect to the investment in the LLC's Napa Vineyards Fund I. No oral or written representations beyond the Offering Letter have been made to me, or relied upon by me.

(b) Investor has read and understands the Operating Agreement and how an LLC functions as a corporate entity. By purchasing the Membership Interest and executing this Subscription Agreement, Investor hereby agrees to the terms and provisions of the Operating Agreement and the Offering Circular.

(c) Investor understands that the LLC has limited financial and operating history. Investor has been furnished with such financial and other information concerning the LLC, its Manager, and its business, as Investor considers necessary in connection with the investment in the Membership Interests. Investor has been given the opportunity to discuss any questions and concerns with the LLC.

(d) Investor is purchasing the Membership Interest for Investor's own account for immigration and investment purposes, and not with a view or intention to resell or distribute the same. Investor has no present intention, agreement, or arrangement to divide any participation with others or to resell, assign, transfer, or otherwise dispose of all or part of the Membership Interest.

(e) Investor, or Investor's investment advisors, has such knowledge and experience in financial and business matters that enables Investor to utilize the information made available to evaluate the risks of this prospective investment and to make an informed investment decision. Investor has been advised by the LLC to consult Investor's own attorney concerning this investment, to consult Investor's own immigration attorney concerning the EB-5 regional center immigration procedure and to consult with independent tax counsel regarding the tax considerations of participating in the LLC's Napa Vineyards Fund I.

(f) Investor has carefully reviewed and understands the risks of investing in the LLC, including those set forth in the Offering Letter. Investor has carefully evaluated Investor's financial resources and investment position, and acknowledges that Investor is able to bear the economic risks of this investment. Investor further acknowledges that Investor's financial condition is such that Investor is not under any present necessity or constraint to dispose of the Membership Interest to satisfy any existent or contemplated debt or undertaking. Investor has adequate means of providing for Investor's current needs and possible contingencies, have no need for liquidity in Investor's investment, and can afford to lose some or all of Investor's investment.

(g) Investor has been advised that the Membership Interests have not been registered under the Securities Act of 1933, as amended.

(h) Investor represents to the LLC and the other Members that (a) Investor is acquiring the Membership Interest in the LLC's Napa Vineyards Fund I for immigration and investment purposes for Investor's own account and not with a view to its sale or distribution and (b) neither the Manager nor any other Member has made any guaranty or representation upon which Investor has relied upon concerning the possibility or probability of profit or loss resulting from an investment in the LLC's Napa Vineyards Fund I.

(i) Investor will notify the Manager and the LLC immediately of any material change in any statement or response made in this Subscription Agreement before acceptance by the Manager of this

(List all professional licenses, directorships and elected positions in government service):

Name of Spouse: _____

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

Residence Address: _____

Residence Phone Number: (_____) _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service

(List all professional licenses, directorships and elected positions in government service):

9. INVESTMENT EXPERIENCE OF INVESTOR.

Has Investor had the following investment experience. Check all that apply:

- _____ Stock Market investing for at least two (2) years in self-managed accounts.
- _____ Real Estate investing for at least two (2) years.

- _____ Investing in trust deeds for at least two (2) years.
 _____ Bond investing in self-managed accounts.
 _____ Mutual Fund investing.

10. **INVESTMENT EVALUATION.** Investor agrees and understands that in making this investment, Investor: (a) must have sufficient knowledge and experience in such financial and business matters to be capable of evaluating the merits and risks of a purchase of the Membership Interest; or (b) must retain the services of an "Investment Advisor" (who may be an attorney, accountant, or other financial adviser unaffiliated with, and who is not compensated by, the LLC or any affiliate or selling agent of the LLC, directly or indirectly) for the purpose of aiding in the evaluation of this particular transaction.

Do you intend to have an "Investment Advisor" in order to meet this requirement?

Yes _____ (If yes, the information below must be completed)
 No _____

Name of Advisor(s) and Relationship: _____
 Advisor's Address and Phone Number: _____

Qualifications of the Advisor(s): _____

11. **MISCELLANEOUS.**

(a) **CHOICE OF LAWS.** This Subscription Agreement will be governed by and construed in accordance with the laws of the State of California.

(b) **ENTIRE AGREEMENT.** This Subscription Agreement constitutes the entire agreement between the parties and may be amended only by written agreement between all parties.

(c) **BINDING ARBITRATION.** Any dispute under this Subscription Agreement will be resolved under the then prevailing rules of the American Arbitration Association in the county of the LLC's principal place of business.

(d) **TERMINATION OF AGREEMENT.** If this subscription is rejected by the LLC, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party and the LLC shall promptly return the funds delivered with this Subscription Agreement without interest.

(e) **TAXES.** The discussion of the federal income tax considerations arising from investment in the LLC, as set forth in the Offering Letter, is general in nature and the federal income tax considerations to Investor of investment in the LLC will depend on individual circumstances. The Offering Letter does not discuss state income tax considerations, which may apply to all or substantially all Purchasers. There can be no assurance the Internal Revenue Code or the Regulations under the Code will not be amended in a manner adverse to the interests of Investor or the LLC.

(f) **DULY AUTHORIZED.** If Investor is a corporation, partnership, trust, or other entity, the individuals signing in its name are duly authorized to execute and deliver this Subscription Agreement

on behalf of such entity, and the purchase of the Membership Interests by such entity will not violate any law or agreement by which it is bound.

(g) **SUCCESSORS.** The representations, warranties and agreements contained in this Subscription Agreement shall be binding on Investor's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the LLC and its directors and officers. If Investor is more than one person, the obligations of all of them shall be joint and several, and the representations and warranties contained herein shall be deemed to be made by and to be binding upon each such person and his, her, or its, executors, administrators, successors, and assigns.

(h) **INDEMNIFICATION.** Investor shall indemnify and defend the LLC and the Manager from and against any and all liability, damage, cost, or expense (including attorneys' fees) arising out of or in connection with: (i) any inaccuracy in, or breach of, any of Investor's declarations, representations, warranties or covenants set forth in this document or any other document or writing delivered to the LLC; (ii) any disposition by Investor of any Membership Interests in violation of this Subscription Agreement, the Operating Agreement or applicable law; or (iii) any action, suit, proceeding or arbitration alleging any of the foregoing.

[Signature Page to Subscription Agreement follows]

[Signature Page to Subscription Agreement]

THE SALE OF LIMITED LIABILITY COMPANY INTERESTS COVERED BY THIS OFFERING CIRCULAR HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS SET FORTH IN SECTION 3(a)(11) OF THE ACT AND RULE 147 THEREUNDER RELATING TO INTRASTATE OFFERINGS. ACCORDINGLY, THESE MEMBERSHIP INTERESTS ARE BEING OFFERED SOLELY TO CERTAIN SELECTED RESIDENTS OF THE STATE OF CALIFORNIA AND EB-5 REGIONAL CENTER IMMIGRANT INVESTOR, AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON. FURTHERMORE, FOR A PERIOD OF FIVE (5) YEARS FROM THE COMPLETION OF THIS OFFERING, NO MEMBERSHIP INTERESTS MAY BE SOLD OR OTHERWISE TRANSFERRED EXCEPT TO RESIDENTS OF THE STATE OF CALIFORNIA.

BY EXECUTING THIS SUBSCRIPTION AGREEMENT, INVESTOR HEREBY AGREES, UPON SUBMISSION AS A MEMBER INTO THE LLC'S NAPA VINEYARDS FUND I, TO BE LEGALLY BOUND BY THE TERMS OF THE OPERATING AGREEMENT AND OFFERING LETTER. FOR GOOD AND VALID CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Purchaser, intending to be legally bound, has executed this Subscription Agreement as of _____, 20__.

INVESTOR:

Name of Investor

Investor Signature

Investor/Member No.: _____

ACCEPTANCE: (NOT VALID UNTIL ACCEPTED BY MANAGER)

ACCEPTANCE

The Manager of the LLC has accepted this Subscription Agreement as of _____,
20__.

NATURAL ECONOMETRIC INCORPORATED
a California corporation, Manager

By: _____
Name: Christina C. Lau
Title: Chief Executive Manager

(b)(4)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement"), is made and entered into as of _____, _____, by and among California Wineries & Vineyards LLC, a California limited liability corporation (the "LLC"), _____, a national of _____, ("Investor"), and Wells Fargo Bank, National Association, as Escrow Agent hereunder ("Escrow Agent").

Background

The LLC and Investor, pursuant to a private offering, have agreed to enter into a Subscription Agreement sheet (the "Subscription Agreement") for the purchase of a unit of Member Interest in the amount of \$500,000 of the LLC's Napa Vineyards Fund I (the "Fund I"). Pursuant to the Subscription Agreement, Investor is required to [REDACTED] Subscription Agreement. In addition, [REDACTED] ("Administration Fee") into the LLC's general expense account to cover all expenses related to the escrow account, initial operation of the Fund, any marketing, legal and accounting (excluding immigration fees) fees. The LLC and Investor believe the transactions contemplated by the Subscription Agreement will qualify Investor to file an Immigration Petition by an Alien Entrepreneur on Form I-526 pursuant to 8 CFR 204.6 (the "Petition"). The Subscription Agreement will be executed when the Petition has been prepared but prior to its filing with the U.S. Citizenship and Immigration Service ("USCIS"). The Escrow Agent shall accept, hold, and disburse the Escrow Funds deposited with Escrow Agent in accordance with the terms of this Escrow Agreement.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Definitions.

The following terms shall have the following meanings when used herein:

"Cash Investment" means [REDACTED]

"Cash Investment Instrument" means a wire transfer originated by Investor and credited to the "California Wineries & Vineyards – Napa Vineyards Fund I & [Name of Investor] Escrow Account" in full payment of the one unit of subscription member interest to be purchased by Investor.

"Escrow Funds" means the Cash Investments deposited with the Escrow Agent pursuant to this Escrow Agreement.

"Administration Fee" means [REDACTED] to cover all escrow account expenses, initial operation of the Fund, any marketing, legal and accounting fees (excluding immigration fees) that is to be deposited to the LLC's general expense account.

(b)(4)

Section 2. Appointment of and Acceptance by Escrow Agent.

The LLC and Investor hereby appoint Escrow Agent to serve as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment in accordance with the terms of this Escrow Agreement. The LLC agrees that prior to commencement of the offering to Investor, the LLC shall request in writing that Escrow Agent shall establish the "California Wineries & Vineyards – Napa Vineyards Fund I & [Name of Investor] Escrow Account," as more particularly described in Section 3(a) hereto (the "Escrow Account") into which the Cash Investment Instruments from Investor shall be deposited. Escrow Agent agrees to establish the Escrow Account promptly after such request and after the Escrow Agent shall have received all information reasonably requested from the LLC and Investor.

Section 3. Deposits into Escrow.

(a) All Cash Investment Instruments from Investor shall be deposited into the Escrow Account described below:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – Napa
Vineyards Fund I & [name of investor] Escrow
Account

ALL ESCROW FUNDS DEPOSITED IN THE ESCROW ACCOUNT SHALL REMAIN THE PROPERTY OF THE INVESTOR AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR OTHER CREDITORS' CLAIMS AGAINST THE LLC UNTIL RELEASED TO THE LLC IN ACCORDANCE WITH SECTION 5 HEREOF.

(b)(b)(4) Investor will deliver Cash Investment Instruments to the Escrow Agent as follows:

promptly after the Petition is completed but before filing with the US Citizenship & Immigration Service and the Subscription Agreement has been executed and delivered by Investor and the LLC.

(c) The LLC and Investor acknowledge and agree that all Cash Investment Instruments are subject to collection requirements of presentment and final payment. Escrow Funds in the Escrow Account cannot be drawn upon or disbursed until such time as final payment has been made, Escrow Agent is in possession of collected funds, and all of the Cash Investment Instruments are no longer subject to dishonor. Upon receipt, Escrow Agent shall process each Cash Investment Instrument for collection, and the proceeds thereof shall be held as part of the Escrow Funds until disbursed in accordance with Section 5 hereof. If, upon presentment for payment, any Cash Investment Instrument is dishonored, Escrow Agent's sole obligation shall be to notify the LLC of such dishonor and to return such Cash Investment Instrument to Investor. Notwithstanding the foregoing, if for any reason any Cash Investment Instrument is uncollectible after payment of the Escrow Funds represented thereby has been made by Escrow Agent in accordance with this Escrow Agreement, the LLC shall immediately reimburse Escrow Agent upon receipt from Escrow Agent of written notice thereof.

Section 4. Other Information to be furnished to Escrow Agent.

The LLC shall, on the date hereof, provide to Escrow Agent the name, taxpayer identification number, address, and such other information as may be required for withholding and reporting purposes such as either U.S. Treasury Department Form W-9 or another applicable form, e.g., W-8 for the Investor. The Escrow Agent shall have no duty to prepare or file any federal, state, or other tax returns or reports with respect to the Escrow Funds.

Section 5. Disbursements of Escrow Funds.

(b)(4)

(a) **Approval of I-526 Petition.** Subject to the provisions of Section 13 hereof, Escrow Agent shall disburse [redacted] of the Escrow Funds to the LLC promptly after Escrow Agent has received a release notice in the form of *Exhibit A* (the “**Release Notice**”), jointly signed by the LLC and the Investor. The Release Notice shall not be delivered to Escrow Agent until the I-526 Petition has been approved by the US Citizenship & Immigration Service as evidenced by I-797 approval notice generated by the US Citizenship & Immigration Service. A copy of The I-797 approval notice will be faxed to Escrow Agent by the LLC. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the LLC in the Release Notice. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice.

(b) **Termination by the LLC.** No later than ten (10) business days after receipt by Escrow Agent of written notice from the LLC stating that the LLC has terminated the Subscription Agreement, Escrow Agent shall deliver the Escrow Funds then held by Escrow Agent to Investor, by wire transfer or bank check sent by express delivery service.

(c) **Failure to receive any Release Notice.** Notwithstanding anything to the contrary contained herein, if Escrow Agent shall not have received the Release Notice within 45 days from the day the Escrow Agent received copy of the USCIS approval on the I-526 petition, Escrow Agent shall, within ten (10) business days after such date and without any further instruction or direction from the LLC, disburse the Escrow Funds then held by Escrow Agent to the LLC by wire transfer or bank check sent by express delivery service.

Section 6. Provisions for Benefit of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; **provided however**, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall

not be required to take notice of or be bound in any way by any agreement or contract between the LLC and Investor, including but not limited to the Subscription Agreement, whether or not Escrow Agent has knowledge of any such agreement or contract.

(b) The LLC and Investor each warrant to and agree with Escrow Agent that there is no security interest in the Escrow Funds or any part of the Escrow Account; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Escrow Funds or any part of the Escrow Funds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Funds or any part of the Escrow Funds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Escrow Funds or any part thereof.

Section 7. Suspension of Performance or Disbursement Into Court.

(a) As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other person(s) resulting in adverse claims or demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Escrow Funds or any part of such Escrow Funds. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties. Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Escrow Funds or any part thereof or to otherwise act hereunder, as stated above, unless and until: (i) the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having jurisdiction over the parties and the Escrow Funds, and Escrow Agent shall have received written notice thereof *or* (ii) the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent pursuant to Section 12 hereof against any liability, claims, or damages resulting from compliance by Escrow Agent with such agreement.

(b) In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Escrow Account and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its counsel. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Escrow Agreement; *provided however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties hereunder.

(c) Escrow Agent shall have no liability to the LLC, Investor, or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of Escrow Funds held in the Escrow Account or any delay in or with respect to any other action required or requested of Escrow Agent.

(d) The parties hereto agree that, in the event any controversy arises under or in connection with this Escrow Agreement or the Escrow Funds, or Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Escrow Funds, they will pay to Escrow Agent reasonable compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation.

(e) Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or its enforcement, or to appear in, prosecute, or defend any action or legal proceeding which would or might involve it in any cost, expense, loss, or liability unless security and indemnity, as provided in Section 12 hereof shall be furnished.

Section 8. Investment of Escrow Funds.

Escrow Agent shall not invest or reinvest the Escrow Funds. The parties to this Escrow Agreement acknowledge that no interest shall accrue or be paid with respect to the Escrow Funds.

Section 9. Removal of Escrow Agent.

(b)(4) Escrow Agent may be removed, with or without cause, by the LLC and Investor, acting jointly, in writing, at any time by the giving of thirty (30) days prior written notice to Escrow Agent. Such removal shall take effect upon the appointment of a successor escrow agent as provided herein below. Upon any such notice of removal, the LLC shall appoint a successor escrow agent hereunder, which shall be a commercial bank, trust company, or other financial institution with a combined capital and surplus in excess of [REDACTED]. Upon the acceptance in writing of any appointment as Escrow Agent hereunder by a successor escrow agent, such successor escrow agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, and duties of the removed Escrow Agent, and the removed Escrow Agent shall be discharged from its duties and obligations under this Escrow Agreement. After any removal of Escrow Agent, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

Section 10. Resignation of Escrow Agent.

Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 20 days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all Escrow Funds then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder. After Escrow Agent's resignation the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was escrow agent under this Escrow Agreement.

Section 11. Liability of Escrow Agent.

(a) Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(b) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct.

(c) In no event shall Escrow Agent be liable for incidental, indirect, special, consequential, or punitive damages. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds or the Escrow Account in which Escrow Funds are deposited or this Escrow Agreement, or to appear in, prosecute, or defend any such legal action or proceeding. Without limiting the generality of the foregoing, Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the Subscription Agreement with any other agreement between the LLC and Investor. Escrow Agent shall not be responsible or liable in any manner for the performance by the LLC or Investor of their respective obligations under the Subscription Agreement nor shall Escrow Agent be responsible or liable in any manner for the failure of the LLC or Investor to honor any of the provisions of this Escrow Agreement. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, and shall incur no liability and shall be fully indemnified pursuant to Section 12 hereof from any liability whatsoever in acting in accordance with the advice of such counsel. The LLC shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.

(d) Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer, conveyance, or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment, or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment, or decree may be subsequently reversed, modified, annulled, set aside, or vacated.

Section 12. Indemnification of Escrow Agent.

The LLC and Investor jointly and severally agree to indemnify Escrow Agent and each of its officers, directors, employees, and agents and save Escrow Agent and its officers, directors, employees, and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees, or agents, directly or indirectly, as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees, or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof the term "Claims" shall mean all claims, lawsuits, causes of action, or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action, or impleader) Escrow Agent or any such officer, director, employee, or agent, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action, or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to, or be based upon, in whole or in part: (a) the acts or omissions of the

LLC or Investor, (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term “Losses” shall mean losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorneys’, accountants’, and other professionals’ fees, litigation, and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of, or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee, or agent (each referred to hereinafter as an “Indemnified Party”), the LLC and Investor jointly and severally agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the LLC and Investor jointly and severally agree to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to either the LLC or Investor. The LLC and Investor hereby agree that the indemnifications and protections afforded Escrow Agent in this section shall survive the termination of the Escrow Agreement or the resignation, removal, or effective resignation of Escrow Agent pursuant to Section 7(b) hereof.

Section 13. Compensation to Escrow Agent.

The LLC agrees to pay Escrow Agent for its ordinary services hereunder, the fees determined in accordance with and payable as specified in the Schedule of Fees set forth in *Exhibit B* attached hereto and made a part hereof. In addition, the LLC agrees to pay to Escrow Agent its expenses incurred in connection with this Escrow Agreement including, but not limited to, the reasonable cost of legal services in the event Escrow Agent reasonably deems it necessary to retain counsel. Such expenses shall be paid to Escrow Agent within 10 days following receipt by the parties hereto of a written statement setting forth such expenses. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities, and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement and to secure the obligation of the parties hereto to indemnify Escrow Agent as set forth in Section 12 hereof, Escrow Agent is hereby granted a security interest in and a lien upon the Escrow Funds, which security interest and lien shall be prior to all other security interests, liens, or claims against the Escrow Funds or any part thereof.

Section 14. Representations and Warranties.

- (a) The LLC makes the following representations and warranties to Escrow Agent:
- (i) The LLC is a limited liability corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.
 - (ii) This Escrow Agreement has been duly approved by all necessary corporate action of the LLC, including any necessary approval, has been executed by duly authorized officers of the LLC, and constitutes a valid and binding agreement of the LLC, enforceable in accordance with its terms; *provided however*, that enforceability is subject to: (a) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, and similar federal and state laws affecting the rights and remedies of creditors

generally, and (b) general principles of equity limiting the availability of equitable remedies (including but not limited to the remedy of specific performance), whether considered in a proceeding at law or in equity.

(iii) The execution, delivery, and performance by the LLC of this Escrow Agreement will not violate, conflict with, or cause a default under, the certificate of organization or operating agreement of the LLC, any applicable law or regulation, any court order or administrative ruling or decree to which the LLC is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement to which the LLC is a party or any of its property is subject.

(iv) No party other than the parties hereto and the Investor has, or shall have, any lien or claim against, or security interest in, the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

(v) The LLC hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(vi) All of the representations and warranties of the LLC contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

(b) Investor makes the following representations and warranties to Escrow Agent:

(i) Investor has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by Investor of this Escrow Agreement will not violate, conflict with, or cause a default under any other agreement to which it is a party.

(iii) Investor hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(iv) All of the representations and warranties of Investor contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

Section 15. Consent to Jurisdiction and Venue.

In the event that the LLC, Investor, or Escrow Agent hereto commence a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree that the United States District Court for the Northern District of California shall have the sole and exclusive jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties agree that the Superior Court of San Mateo County, California shall have sole and exclusive jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts. It is the intention of the parties to this Escrow Agreement that the *situs* of the Escrow Account created by this Escrow Agreement be, and that it be administered in the state in which the principal office of the Escrow Agent is located from time to time acting hereunder.

Section 16. Notice.

All notices and other communications hereunder shall be in writing and shall be deemed to have been validly served, given, or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities (with machine generated receipt confirmation), and addressed to the party to be notified as follows:

If to the LLC at:

California Wineries & Vineyards LLC
c/o Natural Econometric LLC
177 Bovet Road, Suite 600
San Mateo, CA 94402
Attn: Christina C. Lau
Telephone: (650) 364-3108
Facsimile: (650) 369-8522
Tax ID # _____

If to the Escrow Agent at:

Wells Fargo Bank, National Association
707 Wilshire Blvd, 17th floor
Los Angeles, Ca 90017
Attn: Nelia Lopez
Telephone: 213-614-3352
Facsimile: 213-614-3306

If to Investor at:

The address set forth on the Investor signature page hereto or to such other address as each party may designate for itself by written notice.

Section 17. Amendment Waiver, etc.

This Escrow Agreement may be changed, waived, discharged, or terminated only by a writing signed by the LLC, Investor, and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. No waiver, modification, amendment, termination, or rescission of this Escrow Agreement shall be effective or binding upon Escrow Agent unless Escrow Agent shall have specifically consented thereto in writing.

Section 18. Severability.

To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

Section 19. Governing Law.

This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of California without giving effect to the principles or rules governing conflict of laws.

Section 20. Entire Agreement.

This Escrow Agreement constitutes the entire agreement among the parties relating to the acceptance, collection, holding, and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of the Escrow Agent with respect to the Escrow Funds.

Section 21. Binding Effect.

All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the LLC, Investor, and Escrow Agent. Neither this Escrow Agreement nor any interest herein may be assigned without the written consent of each of the parties hereto.

Section 22. Execution in Counterparts.

This Escrow Agreement may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement.

Section 23. Termination.

Upon the first to occur of the disbursement of all amounts in the Escrow Account or deposit of all amounts in the Escrow Account into court pursuant to Section 7 hereof, this Escrow Agreement shall terminate and Escrow Agent shall have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

[Remainder of page intentionally left blank; signatures on following pages]

**LLC SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the LLC hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

THE LLC:

California Wineries & Vineyards LLC

By: _____
Natural Econometric LLC, Manager
Christina C. Lau, Chief Executive Manager

**ESCROW AGENT SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Escrow Agent hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

ESCROW AGENT:

Wells Fargo Bank, National Association,
as Escrow Agent

By: _____
Name, Position

**INVESTOR SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Investor hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

INVESTOR

Name

Investor Name ("Investor") Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/> <hr/>
Investor's Legal Counsel Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/>

**EXHIBIT A
TO
ESCROW AGREEMENT**

Release Notice

Attached

RELEASE NOTICE

This Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated September __, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), _____, a resident of _____, national of _____ ("Investor"), and Wells Fargo Bank, National Association as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably authorized and directed to:

Choose 1 of the options below:

<input type="checkbox"/>	Disburse the balance of the Escrow Fund to California Wineries & Vineyards LLC – Napa Vineyards Fund I as directed below. <i>This option is chosen if Investor's I-526 Petition has been approved by a U. S. Citizenship & Immigration Service</i>
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<input type="checkbox"/>	Pursuant to the wire transfer instructions in the Release Notice. Disburse the balance of the Escrow Fund to _____ as directed below. <i>This option is chosen if Investor has not been approved EB-5 I-526 petition by the US Citizenship & Immigration Service</i>
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2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – Napa
Vineyards Fund I & [Name of Investor] Escrow
Account

3. All conditions precedent to disbursement of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized to release and disburse the Escrow Funds as described in this Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric LLC, Manager
Christina C. Lau, Chief Executive Manager

Name, Investor

**EXHIBIT B
TO
ESCROW AGREEMENT**

Schedule of Fees of Escrow Agent

Escrow Fee: (b)(4)

Wire Transfer Fee: [\$_____] per wire

(b)(4)

CORPORATE MUNICIPAL & ESCROW SOLUTIONS
KYC/CUSTOMER IDENTIFICATION PROCESS (CIP)
CHECKLIST



GENERAL INFORMATION (Complete for all CUSTOMERS)

Date

Account Title and/ or Customer Name _____ *Social Security or Tax ID Number*

Date of Birth (If an Individual)

Country of Citizenship (If an Individual) _____ *Residency Status (If an Individual)*

Source of initial or anticipated funds (e.g., bond proceeds, inheritance, sale of business, employment income)

Residential or Business Address

Residential or Business Phone # _____ *Contact Name*

Business Type(Describe the primary type of activity engaged in by the business) _____ *Entity Type (Ex.: LLC, L.P. Corporation, ETC.)*

Are the operations primarily domestic or international?

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT

The USA Patriot Act of 2001 requires financial institutions to obtain, verify and record information to confirm the identity of the individual or entity that opens an account. What this means for you: before you open an account, we will ask for your name, address, date of birth (if you are an individual), and other information what will allow us to identify you. For entities, opening new accounts, we will ask you for documentation that may include annual reports, certified articles of incorporation, government issued business licenses or partnership agreements.

(b)(4)

**CORPORATE MUNICIPAL & ESCROW SOLUTIONS
KYC/CUSTOMER IDENTIFICATION PROCESS (CIP)
CHECKLIST**



GENERAL INFORMATION (Complete for all CUSTOMERS)

Date

Account Title and/ or Customer Name *Social Security or Tax ID Number*

Date of Birth (If an Individual)

Country of Citizenship (If an Individual) *Residency Status (If an Individual)*

Source of initial or anticipated funds (e.g., bond proceeds, inheritance, sale of business, employment income)

Residential or Business Address

Residential or Business Phone # *Contact Name*

Business Type(Describe the primary type of activity engaged in by the business) *Entity Type (Ex.: LLC, L.P. Corporation, ETC.)*

Are the operations primarily domestic or international?

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT

The USA Patriot Act of 2001 requires financial institutions to obtain, verify and record information to confirm the identity of the individual or entity that opens an account. What this means for you: before you open an account, we will ask for your name, address, date of birth (if you are an individual), and other information what will allow us to identify you. For entities, opening new accounts, we will ask you for documentation that may include annual reports, certified articles of incorporation, government issued business licenses or partnership agreements.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), is made and entered into as of _____, _____, by and among California Wineries & Vineyards LLC, a California limited liability corporation (the “LLC”), _____, a national of _____, (“Investor”), and Wells Fargo Bank, National Association, as Escrow Agent hereunder (“Escrow Agent”).

(b)(4) Background

The LLC and Investor, pursuant to a private offering, have agreed to enter into a Subscription Agreement sheet (the “Subscription Agreement”) for the purchase of a unit of Member Interest in the amount of \$500,000 of the LLC’s Sonoma Vineyards Fund I (the “Fund I”). Pursuant to the Subscription Agreement, Investor is required to deliver [REDACTED] to Escrow Agent at the time Investor executes the Subscription Agreement. In addition, the investor will deliver an administration fee of [REDACTED] (“Administration Fee”) into the LLC’s general expense account to cover all expenses related to the escrow account, initial operation of the Fund, any marketing, legal and accounting (excluding immigration fees) fees. The LLC and Investor believe the transactions contemplated by the Subscription Agreement will qualify Investor to file an Immigration Petition by an Alien Entrepreneur on Form I-526 pursuant to 8 CFR 204.6 (the “Petition”). The Subscription Agreement will be executed when the Petition has been prepared but prior to its filing with the U.S. Citizenship and Immigration Service (“USCIS”). The Escrow Agent shall accept, hold, and disburse the Escrow Funds deposited with Escrow Agent in accordance with the terms of this Escrow Agreement.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Definitions.

The following terms shall have the following meanings when used herein:

“Cash Investment” means [REDACTED]

“Cash Investment Instrument” means a wire transfer originated by Investor and credited to the “California Wineries & Vineyards – Sonoma Vineyards Fund I & [Name of Investor] Escrow Account” in full payment of the one unit of subscription member interest to be purchased by Investor.

“Escrow Funds” means the Cash Investments deposited with the Escrow Agent pursuant to this Escrow Agreement.

“Administration Fee” means [REDACTED] to cover all escrow account expenses, initial operation of the Fund, any marketing, legal and accounting fees (excluding immigration fees) that is to be deposited to the LLC’s general expense account. (b)(4)

Section 2. Appointment of and Acceptance by Escrow Agent.

The LLC and Investor hereby appoint Escrow Agent to serve as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment in accordance with the terms of this Escrow Agreement. The LLC agrees that prior to commencement of the offering to Investor, the LLC shall request in writing that Escrow Agent shall establish the "California Wineries & Vineyards – Sonoma Vineyards Fund I & [Name of Investor] Escrow Account," as more particularly described in Section 3(a) hereto (the "Escrow Account") into which the Cash Investment Instruments from Investor shall be deposited. Escrow Agent agrees to establish the Escrow Account promptly after such request and after the Escrow Agent shall have received all information reasonably requested from the LLC and Investor.

Section 3. Deposits into Escrow.

(a) All Cash Investment Instruments from Investor shall be deposited into the Escrow Account described below:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – Sonoma
Vineyards Fund I & [name of investor] Escrow
Account

ALL ESCROW FUNDS DEPOSITED IN THE ESCROW ACCOUNT SHALL REMAIN THE PROPERTY OF THE INVESTOR AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR OTHER CREDITORS' CLAIMS AGAINST THE LLC UNTIL RELEASED TO THE LLC IN ACCORDANCE WITH SECTION 5 HEREOF.

(b) Investor will deliver Cash Investment Instruments to the Escrow Agent as follows:

(b)(4)
(i) promptly after the Petition is completed but before filing with the US Citizenship & Immigration Service and the Subscription Agreement has been executed and delivered by Investor and the LLC.

(c) The LLC and Investor acknowledge and agree that all Cash Investment Instruments are subject to collection requirements of presentment and final payment. Escrow Funds in the Escrow Account cannot be drawn upon or disbursed until such time as final payment has been made, Escrow Agent is in possession of collected funds, and all of the Cash Investment Instruments are no longer subject to dishonor. Upon receipt, Escrow Agent shall process each Cash Investment Instrument for collection, and the proceeds thereof shall be held as part of the Escrow Funds until disbursed in accordance with Section 5 hereof. If, upon presentment for payment, any Cash Investment Instrument is dishonored, Escrow Agent's sole obligation shall be to notify the LLC of such dishonor and to return such Cash Investment Instrument to Investor. Notwithstanding the foregoing, if for any reason any Cash Investment Instrument is uncollectible after payment of the Escrow Funds represented thereby has been made by Escrow Agent in accordance with this Escrow Agreement, the LLC shall immediately reimburse Escrow Agent upon receipt from Escrow Agent of written notice thereof.

Section 4. Other Information to be furnished to Escrow Agent.

The LLC shall, on the date hereof, provide to Escrow Agent the name, taxpayer identification number, address, and such other information as may be required for withholding and reporting purposes such as either U.S. Treasury Department Form W-9 or another applicable form, e.g., W-8 for the Investor. The Escrow Agent shall have no duty to prepare or file any federal, state, or other tax returns or reports with respect to the Escrow Funds.

Section 5. Disbursements of Escrow Funds.

(a) *Approval of I-526 Petition.*^{(b)(4)} Subject to the provisions of Section 13 hereof, Escrow Agent shall disburse [REDACTED] of the Escrow Funds to the LLC promptly after Escrow Agent has received a release notice in the form of *Exhibit A* (the “**Release Notice**”), jointly signed by the LLC and the Investor. The Release Notice shall not be delivered to Escrow Agent until the I-526 Petition has been approved by the US Citizenship & Immigration Service as evidenced by I-797 approval notice generated by the US Citizenship & Immigration Service. A copy of The I-797 approval notice will be faxed to Escrow Agent by the LLC. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the LLC in the Release Notice. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice.

(b) *Termination by the LLC.* No later than ten (10) business days after receipt by Escrow Agent of written notice from the LLC stating that the LLC has terminated the Subscription Agreement, Escrow Agent shall deliver the Escrow Funds then held by Escrow Agent to Investor, by wire transfer or bank check sent by express delivery service.

(c) *Failure to receive any Release Notice.* Notwithstanding anything to the contrary contained herein, if Escrow Agent shall not have received the Release Notice within 45 days from the day the Escrow Agent received copy of the USCIS approval on the I-526 petition, Escrow Agent shall, within ten (10) business days after such date and without any further instruction or direction from the LLC, disburse the Escrow Funds then held by Escrow Agent to the LLC by wire transfer or bank check sent by express delivery service.

Section 6. Provisions for Benefit of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; *provided however*, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall

not be required to take notice of or be bound in any way by any agreement or contract between the LLC and Investor, including but not limited to the Subscription Agreement, whether or not Escrow Agent has knowledge of any such agreement or contract.

(b) The LLC and Investor each warrant to and agree with Escrow Agent that there is no security interest in the Escrow Funds or any part of the Escrow Account; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Escrow Funds or any part of the Escrow Funds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Funds or any part of the Escrow Funds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Escrow Funds or any part thereof.

Section 7. Suspension of Performance or Disbursement Into Court.

(a) As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other person(s) resulting in adverse claims or demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Escrow Funds or any part of such Escrow Funds. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties. Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Escrow Funds or any part thereof or to otherwise act hereunder, as stated above, unless and until: (i) the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having jurisdiction over the parties and the Escrow Funds, and Escrow Agent shall have received written notice thereof *or* (ii) the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent pursuant to Section 12 hereof against any liability, claims, or damages resulting from compliance by Escrow Agent with such agreement.

(b) In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Escrow Account and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its counsel. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Escrow Agreement; *provided however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties hereunder.

(c) Escrow Agent shall have no liability to the LLC, Investor, or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of Escrow Funds held in the Escrow Account or any delay in or with respect to any other action required or requested of Escrow Agent.

(d) The parties hereto agree that, in the event any controversy arises under or in connection with this Escrow Agreement or the Escrow Funds, or Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Escrow Funds, they will pay to Escrow Agent reasonable compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation.

(e) Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or its enforcement, or to appear in, prosecute, or defend any action or legal proceeding which would or might involve it in any cost, expense, loss, or liability unless security and indemnity, as provided in Section 12 hereof shall be furnished.

Section 8. Investment of Escrow Funds.

Escrow Agent shall not invest or reinvest the Escrow Funds. The parties to this Escrow Agreement acknowledge that no interest shall accrue or be paid with respect to the Escrow Funds.

Section 9. Removal of Escrow Agent.

Escrow Agent may be removed, with or without cause, by the LLC and Investor, acting jointly, in writing, at any time by the giving of thirty (30) days prior written notice to Escrow Agent. Such removal shall take effect upon the appointment of a successor escrow agent as provided herein below. Upon any such notice of removal, the LLC shall appoint a successor escrow agent hereunder, which shall be a commercial bank, trust company, or other financial institution with a combined capital and surplus in excess of \$5,000,000. Upon the acceptance in writing of any appointment as Escrow Agent hereunder by a successor escrow agent, such successor escrow agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, and duties of the removed Escrow Agent, and the removed Escrow Agent shall be discharged from its duties and obligations under this Escrow Agreement. After any removal of Escrow Agent, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

Section 10. Resignation of Escrow Agent.

Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 20 days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all Escrow Funds then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder. After Escrow Agent's resignation the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was escrow agent under this Escrow Agreement.

Section 11. Liability of Escrow Agent.

(a) Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(b) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct.

(c) In no event shall Escrow Agent be liable for incidental, indirect, special, consequential, or punitive damages. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds or the Escrow Account in which Escrow Funds are deposited or this Escrow Agreement, or to appear in, prosecute, or defend any such legal action or proceeding. Without limiting the generality of the foregoing, Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the Subscription Agreement with any other agreement between the LLC and Investor. Escrow Agent shall not be responsible or liable in any manner for the performance by the LLC or Investor of their respective obligations under the Subscription Agreement nor shall Escrow Agent be responsible or liable in any manner for the failure of the LLC or Investor to honor any of the provisions of this Escrow Agreement. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, and shall incur no liability and shall be fully indemnified pursuant to Section 12 hereof from any liability whatsoever in acting in accordance with the advice of such counsel. The LLC shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.

(d) Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer, conveyance, or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment, or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment, or decree may be subsequently reversed, modified, annulled, set aside, or vacated.

Section 12. Indemnification of Escrow Agent.

The LLC and Investor jointly and severally agree to indemnify Escrow Agent and each of its officers, directors, employees, and agents and save Escrow Agent and its officers, directors, employees, and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees, or agents, directly or indirectly, as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees, or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof the term "Claims" shall mean all claims, lawsuits, causes of action, or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action, or impleader) Escrow Agent or any such officer, director, employee, or agent, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action, or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to, or be based upon, in whole or in part: (a) the acts or omissions of the

LLC or Investor, (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term “Losses” shall mean losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorneys’, accountants’, and other professionals’ fees, litigation, and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of, or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee, or agent (each referred to hereinafter as an “Indemnified Party”), the LLC and Investor jointly and severally agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the LLC and Investor jointly and severally agree to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to either the LLC or Investor. The LLC and Investor hereby agree that the indemnifications and protections afforded Escrow Agent in this section shall survive the termination of the Escrow Agreement or the resignation, removal, or effective resignation of Escrow Agent pursuant to Section 7(b) hereof.

Section 13. Compensation to Escrow Agent.

The LLC agrees to pay Escrow Agent for its ordinary services hereunder, the fees determined in accordance with and payable as specified in the Schedule of Fees set forth in *Exhibit B* attached hereto and made a part hereof. In addition, the LLC agrees to pay to Escrow Agent its expenses incurred in connection with this Escrow Agreement including, but not limited to, the reasonable cost of legal services in the event Escrow Agent reasonably deems it necessary to retain counsel. Such expenses shall be paid to Escrow Agent within 10 days following receipt by the parties hereto of a written statement setting forth such expenses. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities, and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement and to secure the obligation of the parties hereto to indemnify Escrow Agent as set forth in Section 12 hereof, Escrow Agent is hereby granted a security interest in and a lien upon the Escrow Funds, which security interest and lien shall be prior to all other security interests, liens, or claims against the Escrow Funds or any part thereof.

Section 14. Representations and Warranties.

(a) The LLC makes the following representations and warranties to Escrow Agent:

(i) The LLC is a limited liability corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) This Escrow Agreement has been duly approved by all necessary corporate action of the LLC, including any necessary approval, has been executed by duly authorized officers of the LLC, and constitutes a valid and binding agreement of the LLC, enforceable in accordance with its terms; *provided however*, that enforceability is subject to: (a) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, and similar federal and state laws affecting the rights and remedies of creditors

generally, and (b) general principles of equity limiting the availability of equitable remedies (including but not limited to the remedy of specific performance), whether considered in a proceeding at law or in equity.

(iii) The execution, delivery, and performance by the LLC of this Escrow Agreement will not violate, conflict with, or cause a default under, the certificate of organization or operating agreement of the LLC, any applicable law or regulation, any court order or administrative ruling or decree to which the LLC is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement to which the LLC is a party or any of its property is subject.

(iv) No party other than the parties hereto and the Investor has, or shall have, any lien or claim against, or security interest in, the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

(v) The LLC hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(vi) All of the representations and warranties of the LLC contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

(b) Investor makes the following representations and warranties to Escrow Agent:

(i) Investor has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by Investor of this Escrow Agreement will not violate, conflict with, or cause a default under any other agreement to which it is a party.

(iii) Investor hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(iv) All of the representations and warranties of Investor contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

Section 15. Consent to Jurisdiction and Venue.

In the event that the LLC, Investor, or Escrow Agent hereto commence a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree that the United States District Court for the Northern District of California shall have the sole and exclusive jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties agree that the Superior Court of San Mateo County, California shall have sole and exclusive jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts. It is the intention of the parties to this Escrow Agreement that the *situs* of the Escrow Account created by this Escrow Agreement be, and that it be administered in the state in which the principal office of the Escrow Agent is located from time to time acting hereunder.

Section 16. Notice.

All notices and other communications hereunder shall be in writing and shall be deemed to have been validly served, given, or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities (with machine generated receipt confirmation), and addressed to the party to be notified as follows:

If to the LLC at:

California Wineries & Vineyards LLC
c/o Natural Econometric LLC
177 Bovet Road, Suite 600
San Mateo, CA 94402
Attn: Christina C. Lau
Telephone: (650) 364-3108
Facsimile: (650) 369-8522
Tax ID # _____

If to the Escrow Agent at:

Wells Fargo Bank, National Association
707 Wilshire Blvd, 17th floor
Los Angeles, Ca 90017
Attn: Nelia Lopez
Telephone: 213-614-3352
Facsimile: 213-614-3306

If to Investor at:

The address set forth on the Investor signature page hereto or to such other address as each party may designate for itself by written notice.

Section 17. Amendment Waiver, etc.

This Escrow Agreement may be changed, waived, discharged, or terminated only by a writing signed by the LLC, Investor, and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. No waiver, modification, amendment, termination, or rescission of this Escrow Agreement shall be effective or binding upon Escrow Agent unless Escrow Agent shall have specifically consented thereto in writing.

Section 18. Severability.

To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

Section 19. Governing Law.

This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of California without giving effect to the principles or rules governing conflict of laws.

Section 20. Entire Agreement.

This Escrow Agreement constitutes the entire agreement among the parties relating to the acceptance, collection, holding, and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of the Escrow Agent with respect to the Escrow Funds.

Section 21. Binding Effect.

All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the LLC, Investor, and Escrow Agent. Neither this Escrow Agreement nor any interest herein may be assigned without the written consent of each of the parties hereto.

Section 22. Execution in Counterparts.

This Escrow Agreement may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement.

Section 23. Termination.

Upon the first to occur of the disbursement of all amounts in the Escrow Account or deposit of all amounts in the Escrow Account into court pursuant to Section 7 hereof, this Escrow Agreement shall terminate and Escrow Agent shall have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

[Remainder of page intentionally left blank; signatures on following pages]

**LLC SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the LLC hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

THE LLC:

California Wineries & Vineyards LLC

By: _____
Natural Econometric LLC, Manager
Christina C. Lau, Chief Executive Manager

**ESCROW AGENT SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Escrow Agent hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

ESCROW AGENT:

Wells Fargo Bank, National Association,
as Escrow Agent

By: _____
Name, Position

**INVESTOR SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Investor hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

INVESTOR

Name

Investor Name ("Investor") Address and Facsimile Number	 <hr/> <hr/> <hr/> <hr/> <hr/>
Investor's Legal Counsel Address and Facsimile Number	 <hr/> <hr/> <hr/> <hr/>

**EXHIBIT A
TO
ESCROW AGREEMENT**

Release Notice

Attached

RELEASE NOTICE

This Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated September __, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), _____, a resident of _____, national of _____ ("Investor"), and Wells Fargo Bank, National Association as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably authorized and directed to:

Choose 1 of the options below:

<input type="checkbox"/>	<p>Disburse the balance of the Escrow Fund to California Wineries & Vineyards LLC – Sonoma Vineyards Fund I as directed below.</p> <p><i>This option is chosen if Investor's I-526 Petition has been approved by a U. S. Citizenship & Immigration Service</i></p>
--------------------------	--

<input type="checkbox"/>	<p>Pursuant to the wire transfer instructions in the Release Notice.</p> <p>Disburse the balance of the Escrow Fund to _____ as directed below.</p> <p><i>This option is chosen if Investor has not been approved EB-5 I-526 petition by the US Citizenship & Immigration Service</i></p>
--------------------------	---

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re:

California Wineries & Vineyards – Sonoma
Vineyards Fund I & [Name of Investor] Escrow
Account

3. All conditions precedent to disbursement of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized to release and disburse the Escrow Funds as described in this Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric LLC, Manager
Christina C. Lau, Chief Executive Manager

Name, Investor

**EXHIBIT B
TO
ESCROW AGREEMENT**

Schedule of Fees of Escrow Agent

Escrow Fee:



(b)(4)

Wire Transfer Fee:

[\$_____] per wire



Building your future

Investor of California Wineries & Vineyards LLC

Dear Prospective Member of California Wineries & Vineyards, LLC:

California Wineries & Vineyards, LLC (CWV LLC) has hired Burr Pilger & Mayer (BPM) to investigate your background. The purpose is to insure compliance with certain securities and immigration laws. We must verify that you are an accredited investor for purposes of Securities Exchange Commission Regulations. We must also verify that the source of funds you are investing in California Wineries & Vineyards, LLC is lawful for purposes of the Immigration and Naturalization Service Regulations.

As part of this process, you will be asked to complete a Due Diligence Checklist.

Very truly yours,

A handwritten signature in cursive script that reads "Burr, Pilger & Mayer, LLP".

Burr, Pilger & Mayer, LLP



Building your future

CALIFORNIA WINERIES & VINEYARDS LLC
Investor Due Diligence Checklist

1. Please indicate full name (First name/middle name/Last name):
2. Please provide current address:
3. Please provide telephone number (country code/area code/number):
4. Please indicate the country are you reside in:
5. Please provide addresses for the last 5 years:
6. Please provide the name of your current employer and address:
7. Please provide a letter from your employment:
8. How long have you been employed?
9. What is your annual income for the last 2 years?
10. Do your assets exceed USD \$1 million?
11. Please list your assets and liabilities in details in USD in the space below. If space is limited, please use a separate sheet:

ASSETS	LIABILITIES

Member of The Leading Edge Alliance



Building your future

12. Please indicate the source of funds which you will be investing in California Wineries & Vineyards, LLC:

13. Have you paid income tax on the funds (if no, please explain)?

14. If the funds were received by you as a gift, who made the gift?

15. Please obtain a letter from the donor of the gift certifying that this is a gift made unconditionally and free of liabilities:

16. Please provide copies of your income tax return for the last 3 years:

17. Please provide a copy of your bank statement for the last 6 months:

18. Please provide a reference letter from your bank:

19. Please provide a reference letter from your accountant:

20. Please provide a reference letter from your business/corporate lawyer, if you have:



Building your future

21. Please provide a utility bill showing your address:

22. Have you been convicted of a crime? If so, please explain.

By signing below, I declare under the penalty of perjury that the above information is true and correct.

Investor Name (Please Print) Investor Signature Date and Place

Witness Name (Please Print) Witness Signature Date and Place



Building your future



About BPM

Corporate Profile

Our International Network

Tax

...
...
...

Assurance

About BPM

Since 1986, Burr, Pilger & Mayer LLP has created an environment where our people like coming to work, our clients depend on us and our focus is on building the future. Today, BPM has offices in San Francisco, San Jose, Palo Alto, and Walnut Creek, global capacities, hundreds of highly trained professionals, and a deep involvement in the communities we serve.

BPM is owner-run, with a first-hand understanding of the entrepreneurial spirit and the intricacies of managing a business.

Our Service

Assurance - Public and private company audits and reviews, internal control testing including Sarbanes Oxley 404 services and general accounting consulting.

Tax - Federal, state, local and international tax preparation for businesses and individuals, tax planning and consulting, including FASB 109 and FIN 48.

Consulting - A full range of services, including performance improvement, IT consulting, valuations, litigation support, merger/acquisition, write-up and client accounting services/software, as well as dissolution and wind-down services.

Wealth Management - Comprehensive personal financial planning for individuals and their families, including estate planning, investment advisory services and insurance strategies.

At BPM, we know that our clients are not only looking for expertise with numbers, but also an understanding of their specific needs. It is a responsibility that we take seriously, and it is the driving force behind our success and the success of our clients.



Building your future



About BPM

Corporate Profile

Our International Network

Tax



Assurance

Our International Network

BPM is a member of Leading Edge Alliance (LEA), a prestigious international professional association of independently-owned accounting and consulting firms. The LEA is headquartered in Illinois with over 350 members across the US, Europe, Africa, the Middle East, Asia, and Latin America. All member firms are bound together by the highest professional standards and a common goal of delivering the highest quality service.

Helping You Prosper

As a member of LEA, the resources of our firm are significantly increased, thus enhancing our ability to meet your changing needs. We share ideas, information, and expertise throughout the major economic centers of the world to help our clients prosper – that's what our firm and membership in LEA is all about.

How You Benefit

The following are just a few of the ways in which our clients benefit from our membership in LEA:

- **Diverse Services.** In addition to our accounting and tax services, we offer a variety of other specialties designed to improve your business. These include strategic planning, organization and operations analysis, computer hardware and software support, cash management, compensation management, employee benefits administration, cash expenditure evaluations, litigation support, merger and acquisition studies, loan proposals, international business, personal financial planning, succession planning, and much more.
- **Broad Industry Expertise.** Our varied industry capabilities include unparalleled expertise in such specialized fields as manufacturing, wholesale, retail, construction, real estate, health care, financial institutions, utilities, transportation, business services, professional services, and public administration.
- **Membership Network.** We are ready and able, regardless of where your business takes you. Our network of firms provides you with financial and tax advice from locations worldwide.
- **Timely Information on accounting and tax trends.** We are committed to being on the leading edge. In daily exchanges with our associates, we constantly address a variety of clients and professional concerns. This allows us to gauge emerging trends in business and anticipate your changing needs.
- **Skill Building.** Our partners and staff enjoy frequent opportunities throughout the year to sharpen their professional skills with association seminars and programs covering a wide variety of technical and business subjects.

Commitment to Excellence. All member firms must meet and uphold exacting professional requirements. Associates undergo periodic peer review inspections to ensure the continuance of high accounting standards.



Building your future



Tax



Assurance

Industries

- Agriculture
- Architects & Engineers
- Automotive
- Construction
- Educational Institutions
- Financial Services
- Health Care
- Life Sciences
- Nonprofits
- Owner Managed Business
- Pension Audits
- Printing & Publishing
- Real Estate
- Restaurant
- Retail
- SEC
- Technology
- Vineyard/Wine**
- Wholesale

Vineyard/Wine

Managing a winery requires specific expertise to juggle budgets, manage fluctuating seasonal costs and the ability to predict what effect Mother Nature will have on your business from one year to the next. Although we can't help you improve your meteorology skills, we can help you streamline and upgrade your operations, advise you on eliminating inefficiencies and offer practical solutions to ensure on-going profitability for your vineyard or winery.

Besides audit, assurance and tax service our vineyard industry specialists can assist you with an ever increasing range of business planning and management needs including:

- Information Technology Consulting
- Software Implementation and Training
- Business Valuation
- Employee Compensation
- Retirement Planning



California Wineries & Vineyards LLC
(CWVRC)

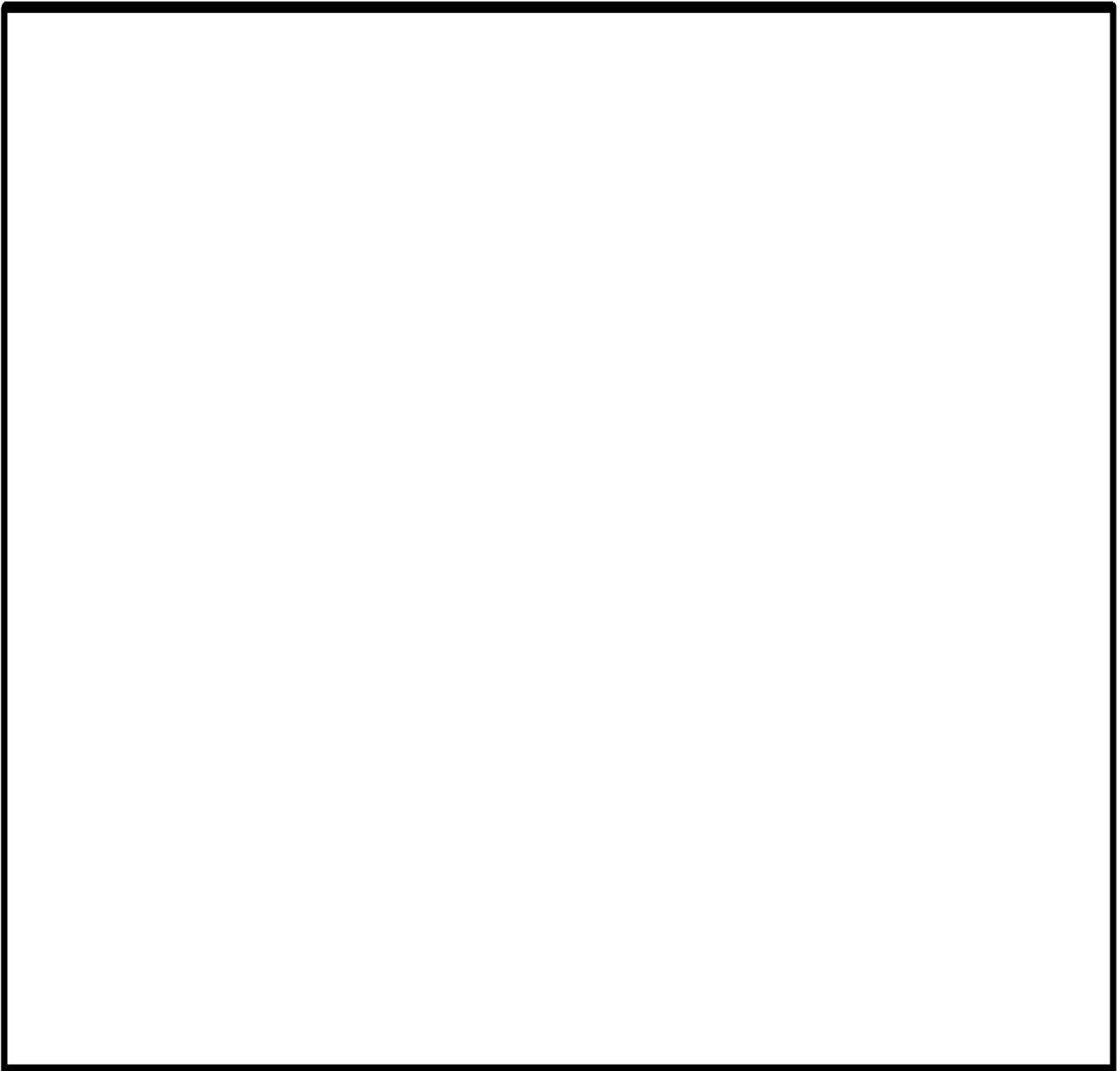
Sonoma Vineyards Fund

Purpose of Fund

- To establish a USCIS designated EB-5 Regional Center within Sonoma County located in Northern California
- To raise up to \$25 million for Sonoma Vineyards Fund for:
 - vineyards/farmland and infrastructure producing wine grapes
 - wineries (including troubled wineries will be defined as under 8 CFR 204.6(e))
- We are allow to seek up to 50 accredited foreign investors, as defined under SEC Regulation D – each will contribute \$500,000 into this Fund that can bring good prospect of economic impact to Sonoma County and at the same time can gain permanent residency to the United States

Investment Terms

(b)(4)



Commercial Activity Involved

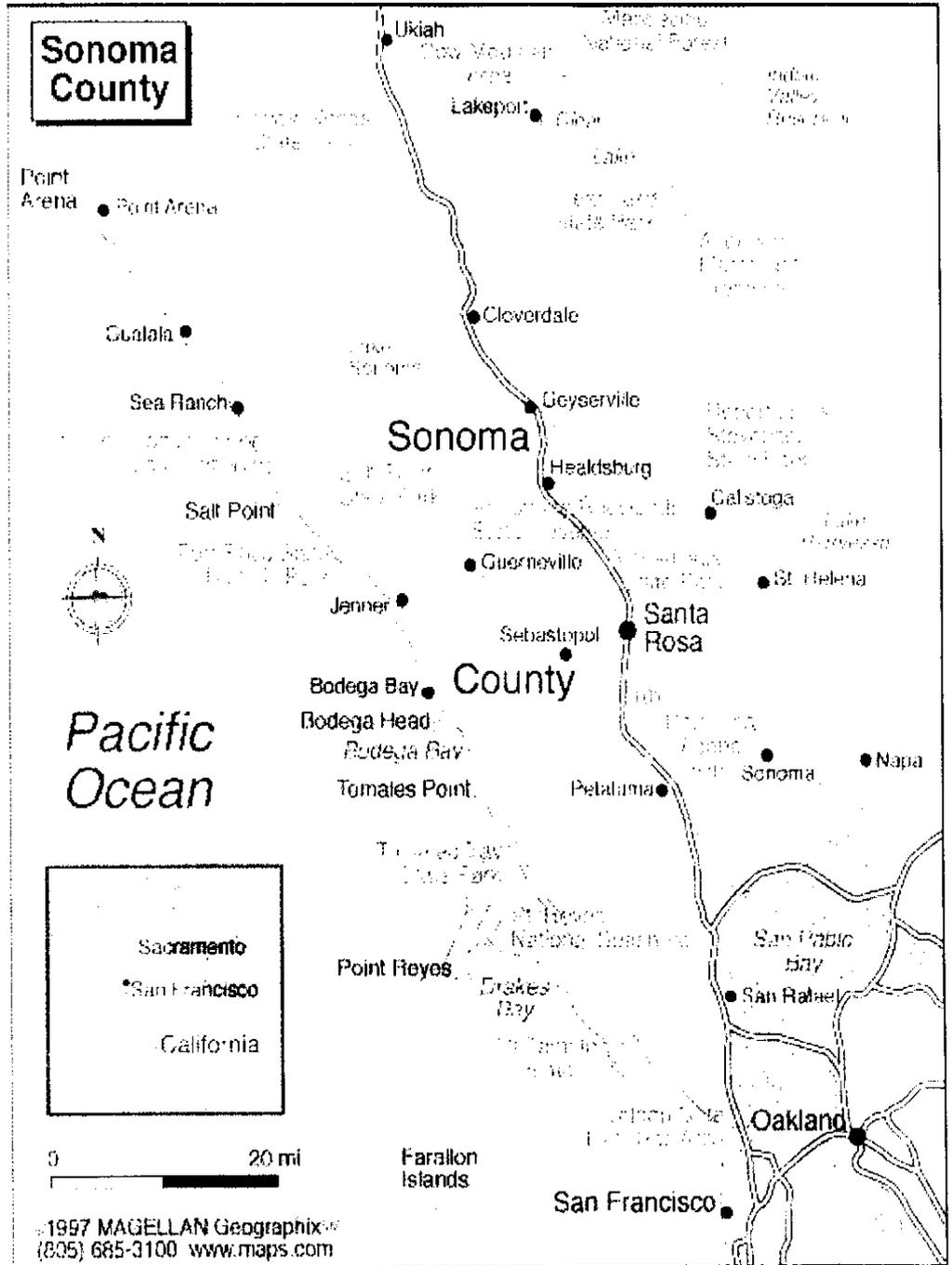
Wine grape growing in Sonoma county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Sonoma Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Sonoma county:

- Wine or table grape growing, harvesting and processing
- Wine making, manufacturing and bottling
- Wine warehousing & storage
- Wholesale and retailer trade to both domestic and overseas buyers
- Truck transportation

The Fund Brings Following Benefits to Sonoma County

- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide

Overview of Sonoma County

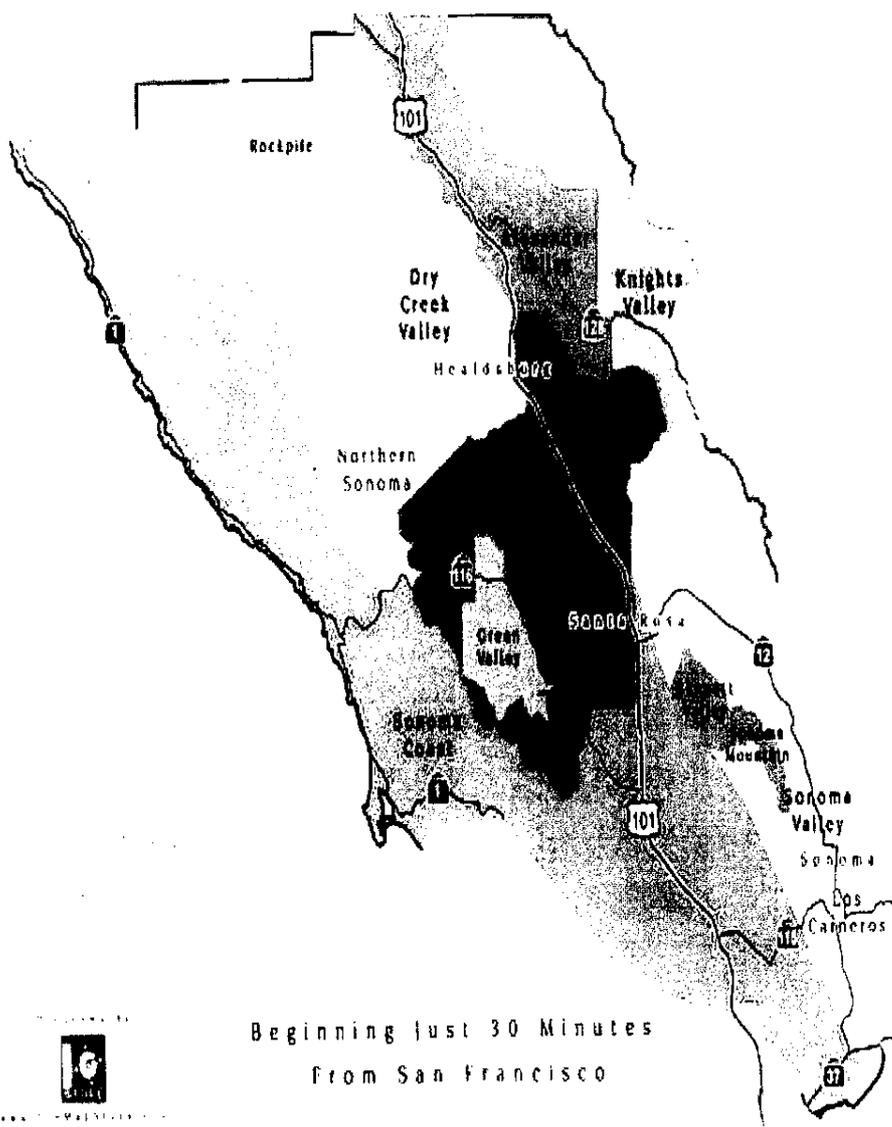


Wine in Sonoma Valley

- Sonoma County has an unparalleled wine history, with the first grapes planted in 1812 at Fort Ross on the Sonoma Coast, and California's oldest premium winery, Buena Vista, founded in 1857. With Sonoma's combination of history, heritage, and new winemakers, the county is home to many dynamic multi-generational family wineries
- Sonoma Valley is widely considered one of the top AVAs in California, and all of the United States
- Sonoma Valley's boutique wineries produce some of the world's best wines. The producers of these wines include but are not limited to: Arrowood, Clos du Bois, Chalk Hill Winery, Chateau St. Jean, Ferrari-Carano Vineyards & Winery, Gallo, Geyser Peak, Kendall-Jackson, etc..
- During the early decades of winemaking in the Sonoma, grapes were often planted in patchwork pattern vineyards in which many varieties were mixed. But experience has since shown the wisdom of matching grapes with locations whose microclimates and soils are best suited to particular grape varieties.
- Today Sonoma features more than two hundred wineries and grows many different grape varieties including Cabernet Sauvignon, Pinot Noir, Zinfandel, Chardonnay and other popular varietals. Sonoma is visited by as many as three million people each year.

Wine Appellation Chart

Sonoma County Wine Regions



Appellations

Sonoma County's large number of AVAs (13) reflect the wide variety of climate and soil conditions in the County, the large production in the County, and the prominence of Sonoma County in the wine market. The difference in climate and soil (terroir), means that cooler climate grapes grow well in certain regions and in others warm climate grapes are more suitable. The large production of the County means that each AVA is significant in its own right. The prominence of the California wine industry and Sonoma County in particular has established worldwide recognition of their wine regions.

- **Alexander Valley**

The Alexander Valley AVA is one of the most densely planted of all of Sonoma County's AVAs. Located along the Russian River, the boundary of this appellation extends north of Healdsburg up to Mendocino County north of Cloverdale. Viticultural has existed in the area since the 1850s but the wine industry has only fairly recently experienced success beginning in the 1960s with Simi Winery. Significant purchases of vineyard land by E & J Gallo Winery in 1988 and Kendall-Jackson in 1996 also raised the the profile of the Alexander Valley. The profile of Alexander Valley wines has historically centered around the approachability and richness of the wines with Cabernet Sauvignon being noted for characteristic chocolate notes and warm mouthfeel. After Cabernet, Chardonnay is one of the leading varietal plantings followed by Sauvignon Blanc and Zinfandel.

- **Bennett Valley**

The Bennett Valley AVA is one of Sonoma County's newest AVAs and is a principal grape supplier to Kendall-Jackson. The AVA is surrounded to the south, east and west by the Sonoma Mountains and to the north by the city of Santa Rosa. The region receives a moderating effect on its climate from Pacific Ocean through the cool coastal fogs and breeze that creep into the area from the southwest through Crane Canyon between Sonoma Mountain and Taylor Mountain.

- **Chalk Hill**

The Chalk Hill AVA is a sub-appellation of the Russian River Valley located near the town of Windsor along the foothills at the southern end of Alexander Valley and along the Santa Rosa plain.[9] The name Chalk Hill comes from the unique volcanic soil of chalky white ash which has shown itself to perform well with planting of white wine varieties like Chardonnay and Sauvignon Blanc. The majority of the region's wineries are located on the western slopes of the Mayacamas Mountains.

- **Dry Creek Valley**

The view from Teldeschi Winery in the Dry Creek Valley AVA
The Dry Creek Valley AVA in the Russian River Valley centers around the Dry Creek, a tributary of the Russian River, and is approximately 16 miles (25.7 km) long and 2 miles (3.2 km) wide. The appellation is known particularly for its Sauvignon Blanc and Zinfandel production. Dry Creek Valley AVA is home to the majority of the Sonoma Gallo vineyards, who established winery facilities in the valley in the early 1990s.

- **Green Valley of Russian River Valley**

Green Valley of Russian River Valley AVA was formerly known as the Sonoma County Green Valley AVA. Located at the southwestern corner of the Russian River Valley AVA, its close proximity to the Pacific Ocean makes it one of the coolest appellations within Sonoma County. The climate in the Green Valley is even cooler than other parts of the Russian River Valley, and favors the cultivation of cool climate grape varieties. Seeking to connect the region with the more commercially successful Russian River Valley name, the appellation formally changed its name on April 23, 2007.

- **Knights Valley**

The Knights Valley AVA occupies the boundaries between the southern end of the Alexander Valley AVA and the northern end of Napa Valley. Some of the earliest vineyards in the area was owned by Beringer Vineyards. The area is known for its Cabernet Sauvignon.

- **Los Carneros**

The Los Carneros AVA spans across the last, low hill of the Mayacamas Mountains dividing both Napa and Sonoma Valleys just north of San Pablo Bay. The larger portion of the appellation stretches into Sonoma County with grapes grown here also being allowed to use the Sonoma Valley AVA designation. The area's close proximity to the Bay made it an ideal location for Pinot Noir and Chardonnay production with producers from international Champagne houses such as Moët et Chandon (Domaine Chandon California), Taittinger (Domaine Carneros), and Cava producers soon planting vineyards or sourcing grapes from the area.

- **Northern Sonoma**

The Northern Sonoma AVA is an all encompassing appellation that covers all of Sonoma County with the exception of the Sonoma Valley and some areas of the Petaluma River watershed. The AVA was proposed by E & J Gallo to accommodate wines made from a blend of grapes from scattered vineyards in Sonoma County.

- **Rockpile**

The Rockpile AVA is situated at the northwest point of the Dry Creek Valley AVA, past Healdsburg. The area was first planted by Italian immigrants at the turn of the 20th century. Many of today's vineyards were formerly occupied by a reservoir created by the Warm Springs Dam on the Russian River. The area is known for its fruity, ripe Zinfandels.

- **Russian River Valley**

A vineyard in the Russian River Valley AVA Russian River Valley AVA is adjacent to the city of Santa Rosa and the Russian River, where it bends and cuts through the Coast Range to the coast. The AVA is characterized by the regular intrusion of cooling fog from the Pacific Ocean. The fog flows through the Petaluma Wind Gap and the channel cut by the river. The fog generally arrives in the evening or early morning and retreats before noon in the day. The appellation was granted AVA status in 1983 and accounts for about one-sixth of the total planted vineyard acreage in Sonoma County. In 2005 the AVA was expanded by 30,200 acres (122 km²) to 126,600 by recognizing previously overlooked portions of the fog regions. Presently the Russian River AVA includes more than 15,000 acres (61 km²) planted to wine grapes.

At last count, 79 wineries were listed in the Russian River Valley Winegrowers website. The area is known for its success with cool climate varietals, notably Pinot Noir and Chardonnay.

- **Sonoma Coast**

Sonoma Coast AVA contains more than 500,000 acres (2,000 km²), mostly along the coastline of the Pacific Ocean. It extends from San Pablo Bay to the border with Mendocino County. The appellation is known for its cool climate and high rainfall relative to other parts of Sonoma County.

- **Sonoma Valley**

Grapes growing along State Route 12. Sonoma Valley AVA is known for its unique terroir with Sonoma Mountain protecting the area from the wet and cool influence of the nearby Pacific Ocean. The Sonoma Mountains to the west help protect the valley from excessive rainfall. The cool air that does affect the region comes northward from San Pablo Bay through the Carneros region and southward from the Santa Rosa plain. Sonoma Valley has played a significant role in the history of California wine.

- **Sonoma Mountain**

Sonoma Mountain AVA, in the Sonoma Mountains, includes the town of Glen Ellen and is bordered on the west by the Sonoma Valley AVA. The area is known for the diverse micro-climates that occur within the crevices and folds of the hillside terrain and as such is home to production for a wide range of varietals including Cabernet Sauvignon, Chardonnay, Pinot Noir, Sauvignon Blanc, Semillon, and Zinfandel.

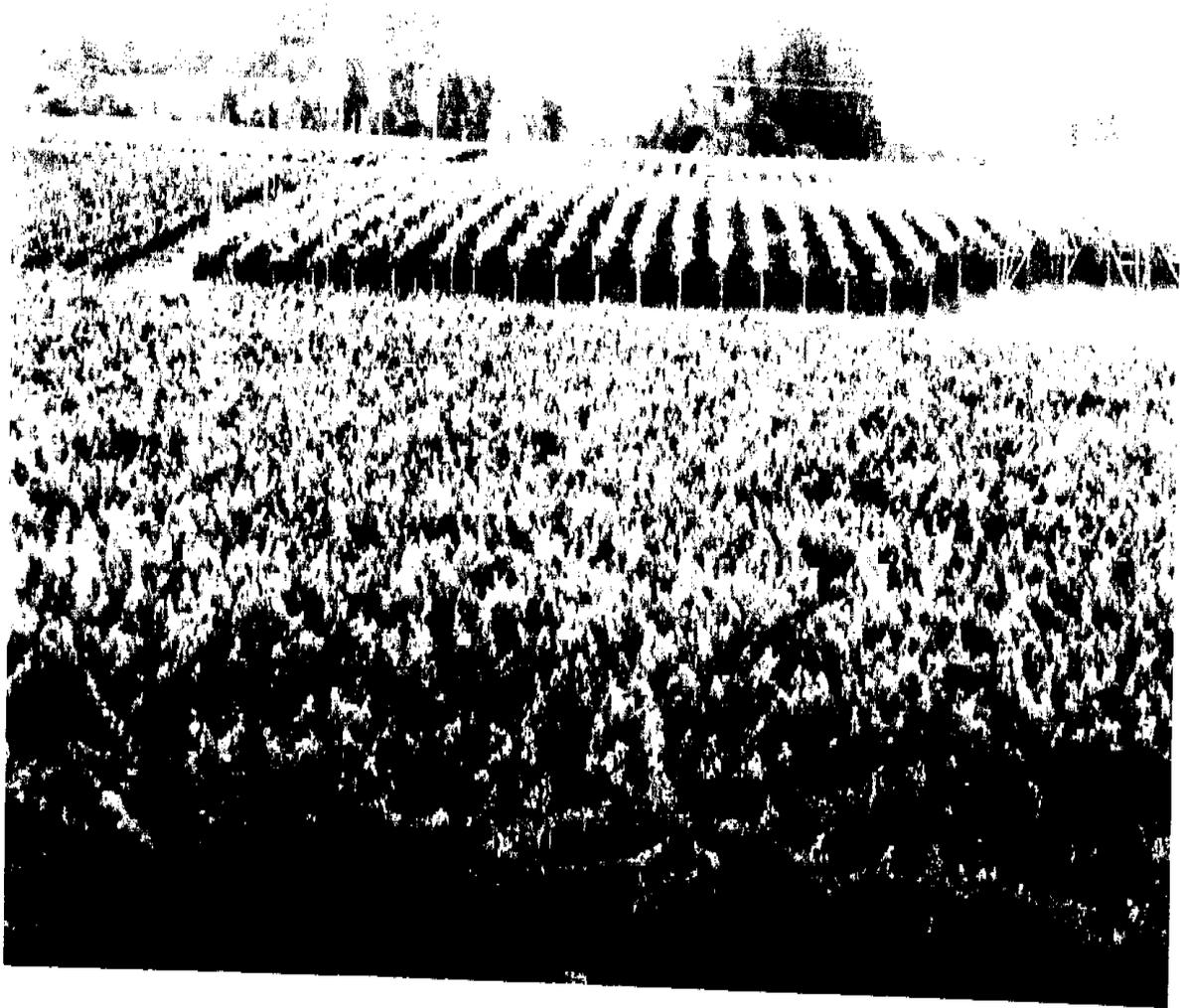
2008 Harvest Report

- Winegrowers across the renowned Sonoma County met the challenges of a crazy weather year when growers dealt with frost, drought, strong winds, heat waves and even smoke from fires across the state as they diligently guided the vines towards harvest time. Despite the ups and downs of a season of extremes, 2008 looks to be another excellent vintage from Sonoma County with lower crop levels but terrific quality.
- Each year growers and vintners adapt and change as the conditions in the field change day to day. The level of vine management in superior quality regions like Sonoma find growers with tools to react to almost anything thrown at them, it has been said that agriculture in Sonoma is nearly elevated to the art of horticulture in how each vine, each block is nuanced to grow these high-quality wine grapes. Twenty or 30 years ago, vineyard crews would work the vineyard three times: prune, sucker and pick. Today many viticulturists say their crews make more than 20 passes though each vineyard, individually managing each vine's canopy for optimal sun to shade exposure, positioning only the finest clusters to continue through veraison to harvest and pre-selecting from the vine the best to be taken to the winery for crush. While other winegrowing regions are brining in 10, 12 or 16 tons per acre, Sonoma vintners are selective bringing in only the best, averaging not more than three tons per acre and in many cases far less. Of note, Sonoma accounts for 8% of California's production, and its wines provide for about a third of the economic impact of the state's wine industry.

(b)(4)

(b)(4)

Investment Opportunity Vineyards



- The appellation of Sonoma County totals more than one million acres of land of which 60,000 acres area planted to winegrapes. The county includes 13 distinct AVAs as well as being a part of the North Coast AVA. The larger Sonoma Coast AVA has with 517,000 acres. Chardonnay takes the lead as the most planted variety with 15,100 acres, and Cabernet Sauvignon is the next most planted variety with 11,900 acres. The area produces about eight percent of California's total wine production.
- Sonoma County is 52 miles wide and 47 miles long and is currently home to 260 wineries. On the east, Sonoma County borders Napa Valley along the Mayacamas Range. About two million years ago, volcanic eruptions deposited a series of ash and lava called the Sonoma Volcanics throughout much of Sonoma and Napa Counties, especially along the Mayacamas Range. The western edge of the County is the California coastline along the Pacific Ocean. Sonoma County borders Mendocino County in the north and Marin County in the south.
- Luther Burbank called Sonoma County "the chosen spot of all the earth as far as nature is concerned." A vastly diverse range of topography, including numerous small valleys with distinct microclimates, the Russian River and the Pacific Ocean, all characterize the region. A moderate climate with a cooling maritime influence, Sonoma County embodies ideal and diverse grapegrowing weather: from valley to hillside, moist ocean coast to dry inland, and cool southern regions that complement the warmer, more northern areas.

(b)(4)

(b)(4)

(b)(4)

Wine Industry in the California

- Wine is the number one finished agricultural product in retail value in the U.S.
- California is America's top wine producer, making 90% of all U.S. wine.
- California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- California's high wine quality is tied directly to the state's ideal climate, topography, and soil for wine grapes, so the industry will always be based in California.
- California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- Produces \$51.8 billion in economic value for California.
- Generates \$125.3 billion for the U.S. economy.
- U.S. Wine Exports (95% from California) is \$951 million winery revenues 2007 - up 594% from \$137 million in 1990.
- Creates 309,000 jobs in California and a total 875,000 jobs.
- Retail Value of California Wine in the U.S. \$18.9 billion in 2007.
- Creates 309,000 jobs in California.
- California Wine Sales to the U.S. 192 million cases in 2007- up 21% from 156 million cases in 1990.
- Attracts 19.7 million tourists annually to all regions of California.

(b)(4)

Organizations That We Work With

- Alexander Valley Association
- Alexander Valley Winegrowers
- California Wine Institute
- Dry Creek Valley Association
- Sonoma County Chambers of Commerce
- Sonoma County Vintners Association
- Sonoma County Winegrape Commission
- Sonoma Valley Chamber of Commerce
- Sonoma Valley Vintners & Growers Alliance
- Winegrowers of Dry Creek Valley

(b)(4)

(b)(4)

(b)(4)

(b)(4)

Sonoma County Grape Acreage History

<u>Year</u>	<u>Acres</u>
1893	23,300
1919	17,000
1920	18,000
1925	19,350
1930	21,300
1934	21,500
1940	21,125
1945	21,958
1950	15,849
1955	11,168
1960	10,705
1965	11,188
1970	12,597
1975	13,798
1980	23,639
1985	28,099
1990	33,164
1995	36,330
1996	38,399
1997	40,001
1998	44,681
1999	51,467
2000	55,877
2001	58,665
2002	59,891
2003	59,973
2004	60,065
2005	60,026
2006	60,302
2007	60,928

(Prune acres 15,248)



Industry Report Series

**2006
Wine Report**



*Presented by the Sonoma County Economic Development Board, in
partnership with the Sonoma County Workforce Investment Board*



Released: August 2006

2006 Wine Report

August 2006

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB), is pleased to bring you the 2006 Wine Report. Our research partner, Moody's Economy.com, produced this report for the EDB.

Highlights from the 2006 Wine Report include:

- **The local wine industry is in the midst of a healthy recovery.** A strong grape crush in 2005 and improved prices have contributed to one of the best years the local wine industry has seen in almost a decade. The outlook for the industry also remains broadly positive.
- Total grape tonnage set a new record in 2005 for both Sonoma County and California. **Sonoma County's total grape tonnage was up a whopping 39% in 2005.** At 230,000 tons, the crop barreled past the previous record set in 2000.
- **Consumer spending on wine and brandy rose by over 10% in 2005, the fastest pace of growth since 1990.** Further, consumer spending data through April 2006 affirms that spending continues to grow at a double-digit clip through early 2006, suggesting that this will be another banner year for wine demand nationally.
- **The average grape price rose a modest \$3 per ton in 2005, just over 0.1%, relative to the 1.8% average increase seen statewide.** This was largely on the back of a 9.4% surge in prices for Sonoma County pinot noir. Even with the 18% increase in tonnage of pinot noir harvested in Sonoma, demand for the grape appears to have grown even more strongly.
- **The long-term outlook for Sonoma County's wine industry remains favorable.** With wine named in a recent Gallup survey as the most preferred alcoholic beverage by a majority of Americans, the prospects are only getting better.

Thank you for your continued interest in the Economic Development Board's research. As always, if you have questions or suggestions, please feel free to contact us at (707) 565 - 7170.

Sincerely,



Ben Stone
Executive Director

This information is presented as a convenience to the public, and should not be the sole source used in making business decisions. Individuals/businesses should consult with recognized professionals regarding their specific business issues involving economic data.

Wine Industry - Sonoma County

Recent Trends. The North Bay wine industry is in the midst of a healthy recovery. A strong grape crush in 2005 and stable prices have contributed to one of the best years the local winemaking industry has seen in almost a decade. The outlook for the industry also remains broadly positive.

Virtually all indicators of economic activity in the wine industry point to an excellent year. Total grape tonnage set a new record in 2005 for both Sonoma County and California. Sonoma County's total grape tonnage was up a whopping 39% in 2005. At 230,000 tons, the 2005 crop barreled past the previous record set in 2000. The record wine harvest is good news for wineries, but not so good for growers.

With white wine production accounting for 39% of Sonoma County's grape crop, the county benefited from the increase in white wine grape prices in 2005. Prices for most white wine varieties, especially chardonnay, generally rose in 2005, while most red wine varieties saw a drop in prices in 2005. The exception was pinot noir, which saw a robust increase in planted acreage and a modest increase in prices. Concurrently, Sonoma County acreage of chardonnay also increased in 2005, allowing local growers to benefit from the higher prices.

Demand for wine grew at a remarkable clip through 2005 and into early 2006, as the broader economic recovery drove healthy income growth. Spending on wine and brandy rose by over 10% in 2005, the fastest pace of growth since 1990. Further, consumer and corporate spending data through April 2006 affirms that spending continues to grow at a double-digit clip through early 2006, suggesting that this will be another banner year for wine demand nationally.

Notably, unlike two years ago, consumer and corporate demand growth is not being driven solely by the availability of affordable domestic and imported wines. In fact, consumer prices for wine have been steadily rising. Consumer prices for wine rose in 2005 at the fastest pace since 1997, a marked turnaround from the lackluster price growth seen between 2000 and 2004. Prices paid by consumers for wine accelerated further through April 2006. This confirms other recent research suggesting that consumer tastes are shifting to higher-priced wine. Sales of higher-priced wine have risen markedly, even as sales of wines priced at below \$7 a bottle fell in 2005.

Strong domestic demand for wine has also led to sturdy imports of wine. Wine imports nationally returned to a double-digit growth

pace in 2005. The strength of the dollar in the past year likely also helped boost wine imports, although it correspondingly weighed on exports. Total U.S. wine exports fell over 7% in 2005. This follows two years of 20%+ growth in exports. With the dollar weakening in the first half of 2006, exports are already getting some support.

Macro drivers. U.S. economic growth has peaked and is poised for slower growth in the coming year. Growth in the first quarter came in much stronger than expected, on the back of strong corporate profit growth and steady expansion in industrial activity. Consumer confidence has moderated in recent months, but remains well above its low point of early 2003. Record corporate profits are also bolstering business entertainment spending.

That said, the outlook has taken a decidedly darker hue during recent months. The economy is clearly hitting capacity, with the jobless rate steadily declining and industrial capacity utilization peaking. Consumer spending is holding up, but growth is slower than before. More importantly, the national housing market is showing a sharper slowdown than anticipated, with the pace of new home construction, and home sales both clearly slowing. Job growth has also slowed through May 2006. Finally, inflationary pressures are picking up. Accelerating inflation raises the possibility of further interest rate hikes.

The main concerns currently are the potential impact of rising interest rates on consumers' high household debt burdens, as well as the impact of persistently high oil and gas prices on consumer spending. High debt burdens are expected to constrain consumer spending primarily among lower-income households, muting the impact of such a slowdown on the wine industry. Rising interest rates and fuel prices will affect growers and vintners as well, further squeezing profitability. All of this will have a stronger effect on lower and middle class homes, while the wealthier consumers are better insulated against credit and energy pressures.

Industry drivers. Apart from the sheer quantity of wine grape harvest this year, 2005 also promises to be a good year for quality. A perfect storm of factors, from the long, cool growing season to the delay in winter rains, all have helped craft a high-quality crop for the year.

The big crop in 2005 took most industry participants by surprise, coming as it did after two years of subpar harvests. Although this year's bumper crop will have a dampening

effect on prices for growers, it could also help alleviate what is expected to be a much smaller harvest in the coming year, according to early predictions by viticulturists. Further, the larger crop has translated into a significant boost in income for local growers, helping ameliorate lower revenues of the past two years.

An important industry development in the past year has been the Supreme Court ruling that has begun opening up the national wine market to direct shipping from California. In May 2005, the Supreme Court ruled that states could not ban direct shipments of wine through the mail for wineries outside of their border if they allowed the same for wineries within their border. The ruling opened up over eight large states to national competition for direct shipping, including New York, Pennsylvania, Florida and Texas. The number of states allowing legal shipping of wine by mail rose from 25 to 33, representing 78% of total consumers in the U.S., versus 50% previously.

Despite the vast increase in the potential market, the ruling has not been a universal positive for the industry. This is because several states have enacted new bureaucracy and taxes that make it difficult for the smallest wineries to compete and take advantage of the new provisions. Still, by and large, the development is positive news for vintners looking to expand domestic share.

Trade with Europe, a destination of over half of U.S. wine exports, is bound to be helped by a new trade agreement signed by the U.S. and the European Community (EC). The agreement settles several long-running issues between the two communities in the wine trade arena, most importantly the recognition of each other's winemaking practices. Previously, EC recognition of American wines required temporary approvals every time wine was shipped, which made it expensive and cumbersome for American wineries to ship to Europe. The EC had already accepted the winemaking practices of countries like South Africa and Australia under separate trade agreements, which had put American winemakers at a distinct disadvantage in the European market.

The opening up of the European market also coincides with a change in domestic vintage regulation that could improve winemakers' production efficiency, and increase total wine consumption. The U.S. Alcohol and Tobacco Tax and Trade Bureau recently approved regulations that would trim the minimum content of wine designation for a given year from 95% to 85%. This is more consistent with practices in

Wine Industry - Sonoma County

New Zealand and the EU, and closer to the 75% allowed in South Africa and Chile. This should improve the flavor of the wines by allowing blending with smoother aged wine, and weigh on some of the appeal of the new world wines.

Pricing. Pricing is starting to improve for Sonoma County winegrowers in 2005, although at a pace well below the state average. The average price rose a modest \$2 per ton in 2005, just over 0.1%, relative to the 1.8% average increase seen statewide. This was largely on the back of a 9.4% surge in prices for Sonoma County pinot noir. Even with the 18% increase in tonnage of pinot noir harvested in Sonoma, demand for the grape appears even stronger. Sonoma County's more dominant white wine varieties like chardonnay and sauvignon blanc both saw very modest but still positive increases in price from last year.

Most red varietals continue to be weighed down by excess supply. Cabernet sauvignon and merlot prices both fell about 3% in 2005 on robust increases in tonnage. Sonoma County zinfandel also saw a drop in prices last year.

The four north coast counties cater to different wine markets, with the highest priced grapes grown in Napa County, followed by Sonoma, Mendocino and Lake, in that order, as determined by data from the California Grape Crush report. As a result, Napa and Sonoma tend to cater to the higher-end wine market, Mendocino and Lake to the middle-end market. Napa prices are the highest across most varietals, with the notable exception of zinfandel, where Sonoma enjoys the highest prices in the region.

Operating expenses. Labor costs comprise two-thirds of the cost of producing wine grapes. After tepid labor force growth in 2004 and the first half of 2005, the Sonoma County labor force started to shrink again through the second half of 2005 and 2006 thus far. Still, there are few signs of a labor shortage. Further, increased mechanization of harvesting techniques has helped ease demand for labor in the region's vineyards.

That said, the Sonoma County wine industry will be closely watching the unfolding immigration debate, and especially the progress of President Bush's plan for a guest worker program for migrant workers.

Mendocino grape growers and wineries recently voted overwhelmingly to institute a new tax to create a commission that would market local wines and grapes. Sonoma County growers will also be voting by July 10 on whether to institute a grower-only commis-

sion to help promote local wines and grapes nationally and globally. The approval of such a measure, which is quite likely, will add a cost to local growers, but could well bring far bigger benefits.

Profitability. Wine grape growers and vintners are facing a broad improvement in profitability. For vintners, increased consolidation, coupled with strong consumer demand for wine, especially premium-priced wine, has helped bolster corporate bottom lines. Fewer regulations are also helping vintners bolster bottom lines. Smaller wineries in particular have cashed in on the consumer trend of shifting to premium priced wine.

The general improvement in profitability in the wine industry is best exemplified by the increase in merger and acquisition activity in the industry. The past year has been a busy one for M&A activity in the wine industry, not unlike the broader corporate sector. One of the more notable moves was Pernod Ricard's acquisition of Allied Domecq, followed quickly by the sale of the majority of Allied Domecq's U.S. wine brands—including several Bay Area brands such as Clos du Bois and Buena Vista—to Fortune Brands. Constellation Brand is also digesting its purchase of Mondavi Corp. This reflects the improved fortunes of some of the largest players in the wine world, and a departure from the more strenuous cost-cutting and reorganization following the price wars in 2002-2003.

The dollar is expected to weaken further in the coming year against most global currencies. This in turn will improve the cost-competitiveness of Sonoma County appellations in key emerging markets in Asia, such as China, India and Korea, as well as in Europe.

Long-term outlook. The long-term outlook for Sonoma County's wine industry remains favorable. Improving name recognition and rising wine consumption globally are the positive fundamentals driving the industry's outlook. With wine named in a recent Gallup survey as the most preferred alcoholic beverage by a majority of Americans, the prospects are only getting better.

Demographic trends suggest healthy longer-term prospects. The Wine Market Council reports that per capita consumption of wine has been rising steadily since the early 1990s, rising to a new record of 2.77 gallons in 2004. Core wine drinkers—those who consume wine at least weekly—account for 12% of the total population but 80% of consumption, and this share of core consumers has risen from 2000 to

2004 after holding steady through the 1990s. Finally, the share of the core consumers in the population rises with age cohort, an encouraging sign in an aging country.

Per capita consumption in the U.S. is still well below rates in Europe, suggesting potential for growth. As the baby boomer generation moves into its fifties and sixties, its disposable income will rise. There is a good likelihood that their demand for wine will rise as the economy improves, and their penchant for collecting luxury wines may increase as well.

Longer term, the wine industry will benefit from the new millennial generation of wine drinkers that will hopefully pick up the mantle as baby boomers age. The oldest of this new large cohort, almost as big as the baby-boomer cohort, are now in their early 20s, and 40% of this cohort are considered core wine drinkers. The challenge for the wine industry will be to deepen its attraction of marginal drinkers, who have cut their consumption of wine over the past three years.

The strategic threat of lower-cost wine with fruitier flavors from wineries in Australia, Chile and South Africa is very real. Large wineries have reduced their exposure to this competition by acquiring properties in several of these areas, but local growers and small vintners will continue to be pressured by the cheaper and consumer-friendly wines from the New World wineries.

Upside risks. The wine industry is making forays into several new markets, by re-branding and labeling wines to attract younger drinkers, women and minorities. Success in these new strategies would also boost wine consumption. A further departure into higher priced wines by an adoring consumer base is also a possibility.

Foreign markets also present some upside potential as untapped consumer markets in China, Russia, Southeast Asia, and the Middle East blossom.

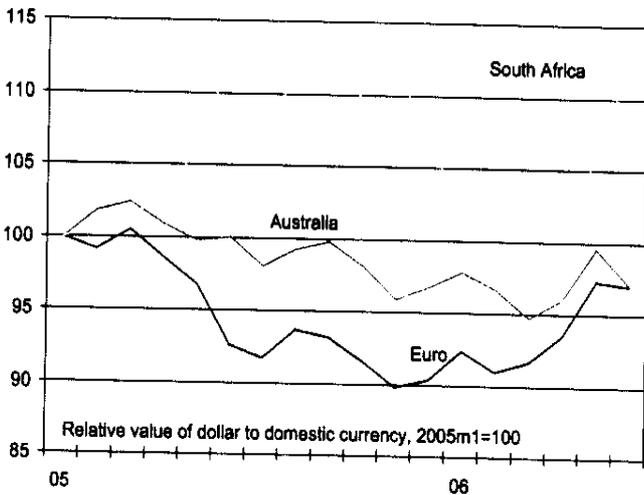
Downside risks. The most serious downside risk is from pestilence, specifically from the glassy-winged sharpshooter and its accompanying Pierce's Disease, or from the vine mealy-bug. There have been no significant pestilence problems reported thus far this season, but this is a threat that bears watching.

Competition from other appellations in California and other regions nationally and internationally may make it increasingly difficult for Sonoma County labels to maintain their recognition.

Rakesh Shankar
July 2006

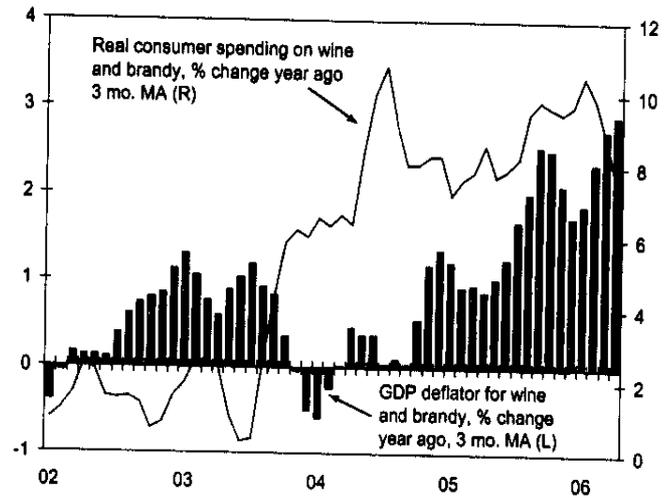
Wine Industry - Sonoma County

Global Pricing Power Was Weak Last Year, but Will Improve



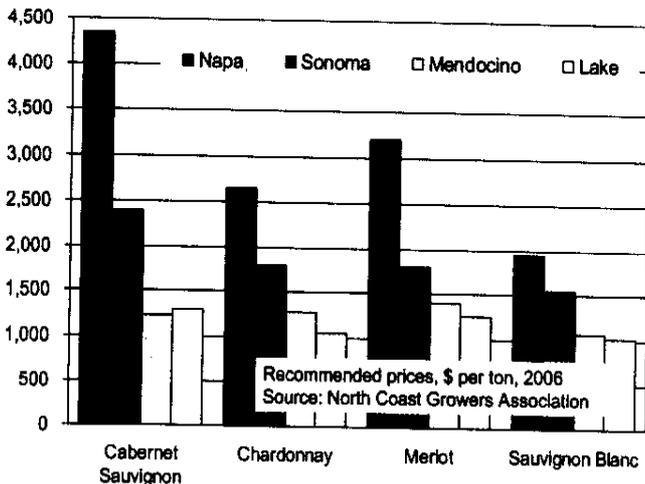
The strengthening of the dollar over the past year was broadly detrimental to the U.S. wine industry. Wine exports fell in 2005 for the first time in over 20 years. Over the same period, the dollar strengthened against the currencies of the U.S.' major wine export destinations. Conversely, weaker currencies in countries that the U.S. import wines from, including Australia and Chile, made imports far more competitive last year. That said, Moody's Economy.com expected the recent weakening in the dollar to persist through the remainder of 2006, which should serve to boost wine exports in the coming years.

A Good Time to Be in the Wine Business



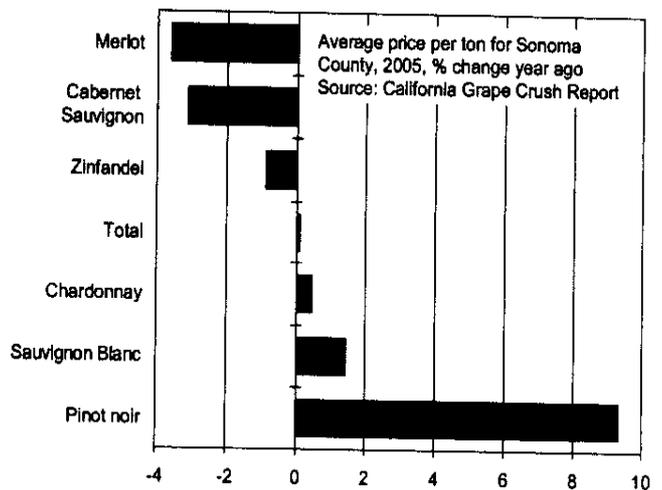
The domestic wine industry is in the midst of a boom period, thanks to steady growth in consumer demand for wine. Robust demand growth has come despite an acceleration in prices for wine, which has been a double benefit to winemaker revenues. There has been some moderation in demand growth in recent months, however, as price growth has hit a five-year high. With a slowdown expected in the broader economy and in housing markets in particular, as interest rates rise and fuel prices are elevated, discretionary spending is expected to moderate. This could limit further demand growth in the next two years.

Clear Price Differentials Across the Region



Prices serve as a good indicator of quality in the wine industry and help point to the target market of the wine. Sonoma wines tend to be in the mid-price range, which is typically a weak export category. Sonoma is most invested in white wines and dominates in their production, and also commands higher prices for most of its white wine varietals, especially for its muscat blanc. Chardonnay is the notable exception, where neighboring Napa still enjoys higher prices and perceived quality. On the red wine front, Sonoma enjoys the highest price in the region for its zinfandel varietals.

A 'Sideways' Effect for Pinot Noir



Reds are still in the red in Sonoma County, and in California in general. The market is still dealing with an excess supply situation for most red wine varietals. The record-breaking grape crush from last year hardly helped, putting downward pressure on prices for most red varietals. Harvested cabernet sauvignon and zinfandel tonnage rose nearly 50% in Sonoma County in 2005. The sole exception to the red wine blues has been pinot noir, which has benefited from strong pricing growth despite an 18% increase in harvested tonnage. The success of the movie "Sideways" is widely cited for the increasing American demand for pinot noir.

Express

Natural Econometric Inc.

177 Bovet Road, Suite 600
San Mateo, CA 94402, USA

Attn.: WS 24068 CSC 3360 DIV III
EB 5 RC Proposal
California Service Center
U.S. Citizenship & Immigration Service
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

From: Origin ID: BWCA (650) 634-9648
Christina Lau
NATURAL ECONOMETRIC INC
177 BOVET ROAD, SUITE 800
SAN MATEO, CA 94402



J11111111111111111111

SHIP TO: (949) 831-8427 BILL SENDER
California Service Center
USCIS
24000 Avila Road, 2nd Floor
Attn: EB 5 RC RFE
LAGUNA NIGUEL, CA 92677

Ship Date: 28MAY09
ActWgt: 2.0 LB
CAD: 1001372/JNET9011
Account#: S

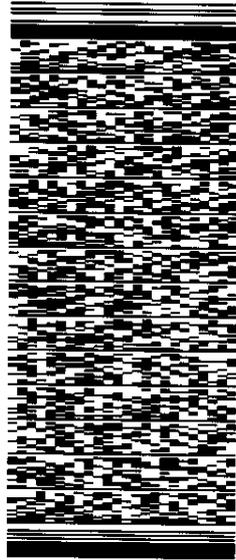
Delivery Address Bar Code



Ref # California Wineries & Vineyard
Invoice #
PO #
Dept #

TRK# 7976 3387 3133 FRI - 29MAY A2
0201 PRIORITY OVERNIGHT

WZ JORA 92677
CA-US
SNA



CSC

AM MAY 29 2009

STAMP #147

RFE

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MAY 29 2009

		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09000190		
Notice Date <i>MAY 13, 2009</i>	Page 1 of 2	Regional Center California Wineries & Vineyards LLC Regional Center

California Wineries & Vineyards LLC Regional Center
C/O Christina C Lau
Natural Econometric Inc
177 Bovet Rd Suite 600
San Mateo, CA 94402

Request for Evidence

IMPORTANT: WHEN YOU HAVE COMPLIED WITH THE INSTRUCTIONS ON THIS FORM, RESUBMIT THIS NOTICE ON TOP OF ALL REQUESTED DOCUMENTS AND /OR INFORMATION TO THE ADDRESS BELOW. THIS OFFICE HAS RETAINED YOUR PETITION/APPLICATION WITH SUPPORTING DOCUMENTS.

THE INFORMATION REQUESTED BELOW MUST BE RECEIVED BY THIS OFFICE NO LATER THAN EIGHTY-FOUR (84) DAYS FROM THE DATE OF THIS NOTICE. IF YOU DO NOT PROVIDE THE REQUESTED DOCUMENTATION WITHIN THE TIME ALLOTTED, YOUR APPLICATION WILL BE CONSIDERED ABANDONED PURSUANT TO 8 C.F.R. 103.2(B)(13) AND, AS SUCH, WILL BE DENIED.

WS 24068 CSC 3360 DIV III

RETURN THIS NOTICE ON TOP OF THE REQUESTED INFORMATION LISTED ON THE ATTACHED SHEET.

Note: You are given until *AUGUST 2, 2009* in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

COPY-

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
Attn: EB 5 RC Proposal
CALIFORNIA SERVICE CENTER
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0526



W09 000 195

Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at www.uscis.gov to contact your local USCIS office or call our National Customer Service Center at 1-800-375-5283.

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under "Denials".

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulate.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

California Wineries and Vineyards/W09000190

Page 2

In accordance with Federal Register Notice dated Jan 9, 2009, and effective Jan 26, 2009, your case has been relocated to the California Service Center for processing.

Due to the transition of this case type from Washington D.C. to this office, we are requesting that amendments to prior approvals include a copy of all documents previously submitted including responses to any requests for evidence. This will assist this office in promptly responding to your request for amendment.

Therefore, submit a copy of all the documentation submitted your Regional Center in support of the initial approval.

Purpose of Sonoma Vineyards Fund

1. Buy 200 acres of planted vineyards (farmland) that are currently listing for sale within Sonoma county; and/or
2. Investing into existing trouble wineries and/or vineyards located within Sonoma county that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).

Commercial Activity Involved

Wine grape growing in Sonoma county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Sonoma Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Sonoma county:

1. Wine or table grape growing, harvesting and processing
2. Wine making, manufacturing and bottling
3. Wine warehousing & storage
4. Wholesale and retailer trade to both domestic and overseas buyers
5. Truck transportation

The Fund Brings Following Benefits to Sonoma County

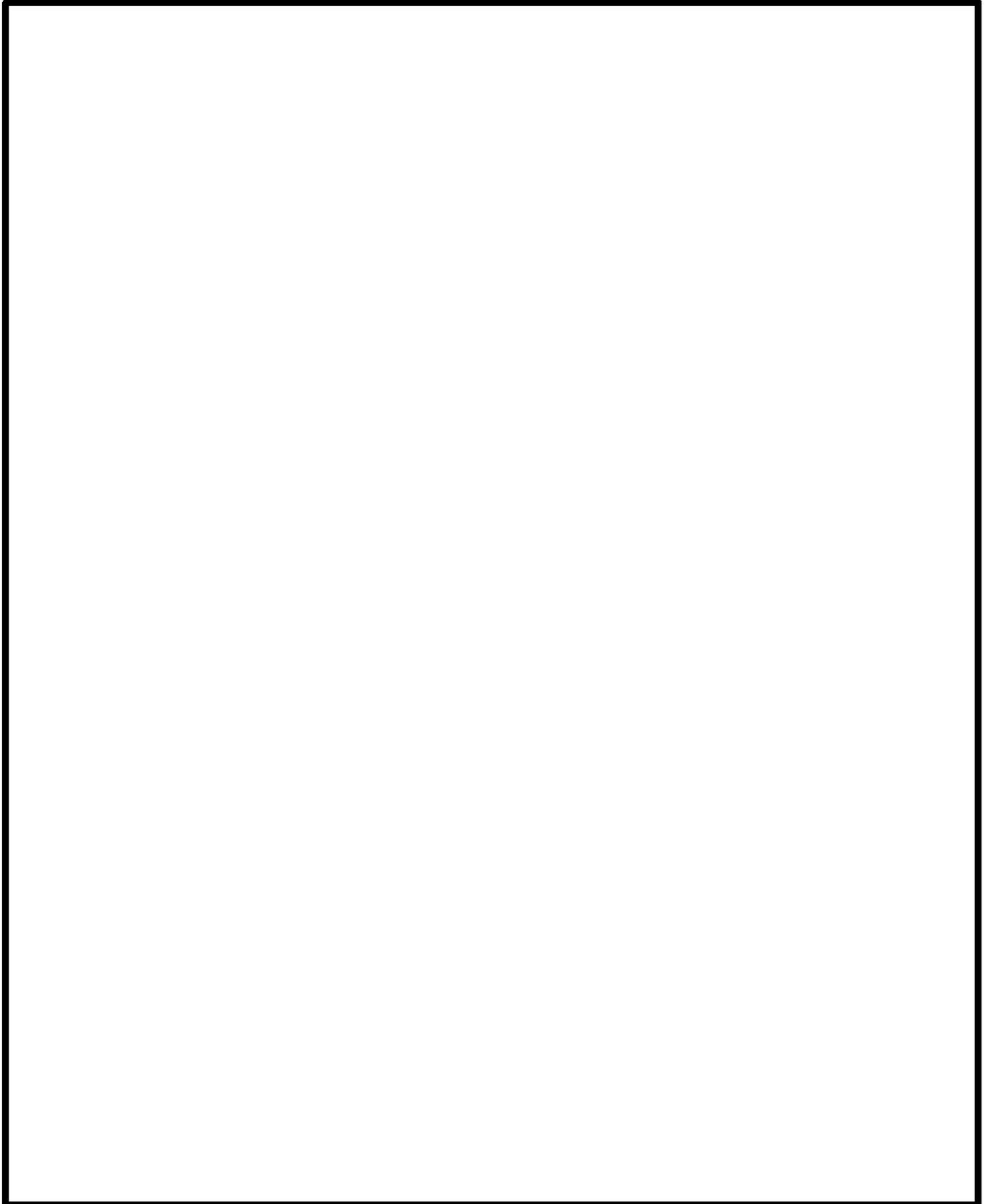
- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide.

Economic Impact & Job Creation

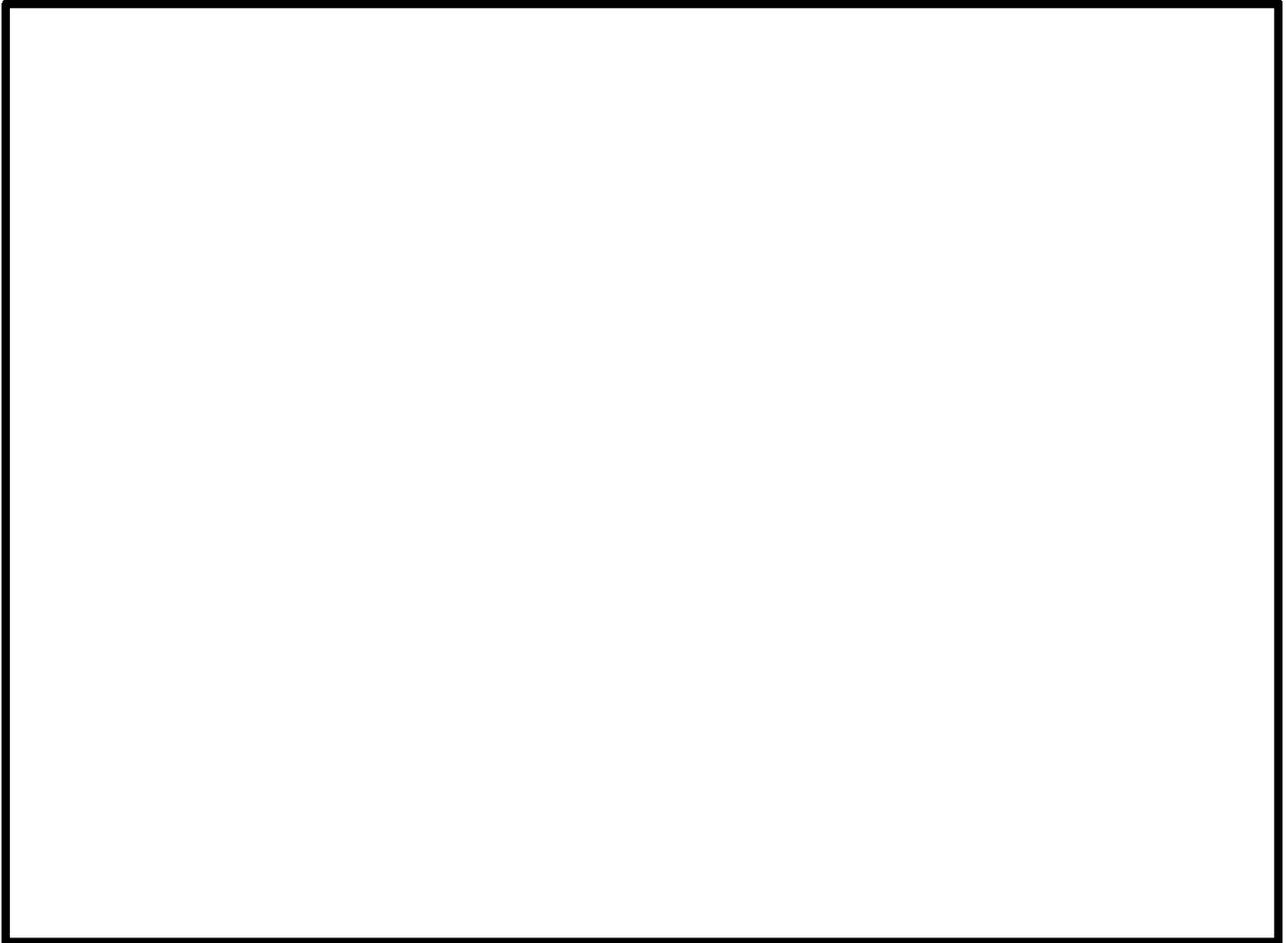
With 50 investors participating in this Regional Center each with an investment of \$500,000 for a total of \$25 million, it will help to create 1961 full time employment. This projection is based on Regional Input-Output Modeling System (RIMS II) provided by Bureau of Economic Analysis. See attached Table Summary (Exhibit 4)

With RIMS II multiplier, for every \$1,000,000 investment input into a vineyard or winery, it will directly create fifty (50) full time jobs and indirectly create twenty-eight (28) full-time jobs:

(b)(4)



(b)(4)



Additional Documents

We hereby submit the following documents in support of the Sonoma Vineyards Fund:

1. California Wineries & Vineyards LLC Regional Center approval notice (Exhibit 6)
2. Business Plan (Exhibit 7)
3. Draft Operating Agreement (Exhibit 8)
4. Draft Subscription Agreement (Exhibit 9)
5. Draft Escrow Agreement (Exhibit 10)

We hope that based on the submitted documents, the Service will allow California Wineries & Vineyards LLC to expand and add Sonoma County as an additional designated area to its Regional Center.

Sincerely,



Christina C. Lau

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Wineries &
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Regional
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(CWVRC)**

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Fund**

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proposed area
– Sonoma
County**

**Supporting
Documents**

1	Sonoma County Map
2	Sonoma County Rural Area Maps (3)
3	Sonoma County Farmland Map
4	Sonoma County RIMS II Summary from BEA
5	Sample Vineyard Listings
6	California Wineries & Vineyards LLC Regional Center Approval Letter
7	Business Plan
8	Operating Agreement
9	Subscription Agreement
10	Escrow Agreement
11	Offering Letter
12	



(b)(4)

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Wine Country Weekly

Real Estate Reader rereader.com



5600 Eastside Road, Forestville, CA

MLS #

Property Type: Farm & Ranch, Land (Acreage),
Vineyard, Vineyard Estate, Estate,
Commercial & Income, Investment,
Mountain Lake & Rec

County: Sonoma

Wine Region: Sonoma County

Bedrooms:

Baths:

Home sq. ft.:

Lot Size: 33± acres

View: Vineyard

Russian River Pinot Noir Vineyard

Price: \$2,200,000



Located in one of the most sought after areas in California wine country is this spectacular 33 acre property on coveted Eastside Road in the heart of the Russian River. With appx 26 acres of modern vineyard, including 20 acres of Pinot Noir and 6 acres of Chardonnay, this vineyard produces fruit that is the basis for some fine vineyard designate wines. This is a must see - A lovely vineyard in a prime area with abundant water available.

Beautiful Forestville, Sonoma County Real Estate listings and properties for sale, vineyards, wineries & country estates, ranches and acreage and affordable homes.



10540 Los Amigos Road, Healdsburg, CA

MLS #

Click photo to enlarge

Outstanding Vineyard - And Winery Site in Healdsburg, CA

Price: \$4,900,000



Property Type: Residential, Rural Residential, Land (Acreage), Vineyard, Vineyard Estate, Investment, Winery

County: Sonoma

Wine Region: Sonoma County

Bedrooms:

Baths:

Home sq. ft.: 1,500±sf

Lot Size: 38± acres

View: Vineyard, Valley



WINERY SITE:

Additional acreage available for purchase

Approximately 4.8± acre building envelope for winery



View 2

Site contemplates 13,500±sf production facility
Plans for 8,000±sf outdoor crush pad
Close proximity to several highly acclaimed wineries
Wine production process accomplished by gravity flow

VINEYARD:

Chalk Hill and Russian River Valley appellations
Approximately 31 acres of vineyard
Cabernet Sauvignon, Merlot, Zinfandel & Petite Syrah grapes



View 3

OTHER:

1,500±sf residence
Potential for hillside wine caves



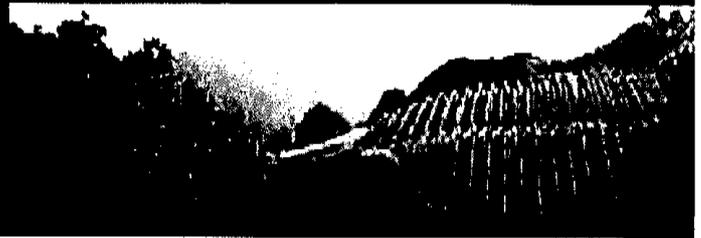
View 4



View 5

Wine Country Weekly

Real Estate Reader rereader.com



2449 Nelligan Road, Glen Ellen, CA

MLS # 20836431

134 acre parcel with 114 acres of varietal wine grapes.



Price: \$8,900,000

Property Type: Residential, Rural Residential,
Vineyard, Investment

County: Sonoma

Wine Region: Sonoma County

Bedrooms:

Baths:

Home sq. ft.:

Lot Size: 134 acre

View: Vineyard, Valley



134 acre parcel with 114 acres of varietal wine grapes. High elevation with excellent quality fruit. Potential to build. Grape contract can be negotiated with the Seller should Buyer wish. Turn key top of the line operation.



U.S. Citizenship
and Immigration
Services

HQSCOPS 70/6.1.8

Christina Lau
President
Natural Econometric Inc.
177 Bovet Rd, Ste. 600
San Mateo, CA 94402

JAN 08 2009

Application: Request for Designation as a Regional Center
Applicants: Christina Lau
Proposed Enterprise: California Wineries & Vineyards, LLC Regional Center (CWVRC)

RE: Designation as a Regional Center under the Immigrant Investor Pilot Program.

BACKGROUND:

Pursuant to Section 610 of the Appropriations Act of 1993, on June 11, 2008, Natural Econometric Inc. submitted a proposal for the designation of California Wineries & Vineyards, LLC Regional Center (CWVRC) which focuses within the entire county of Napa CA. CWVRC will pursue a portfolio of commercial investment that will result in direct and indirect job creation. The projects will involve the purchase of vineyards/farmland and wineries as well as investing in existing wineries as troubled businesses.

The Napa Vineyards Fund will seek 98 investors with each investing \$500,000 to create a \$49 million investment fund that will invest into vineyards (farmland) and or troubled wineries located in Napa County.

The initial proposal combined with a response to a request for evidence (RFE) contained the following evidence in support of its requested designation:

- An Economic Impact Analysis and job creation prediction using RIMS II.
- A Business Plan,
- An Operating Agreement.
- An Escrow Agreement,
- An Offering Letter,
- A Subscription Agreement, and
- A Marketing Plan.

DECISION:

Based on its review and analysis of the June 11, 2008, submission and subsequent RFE response including business plan and job creation analysis and multipliers reflecting the development of various sample projects, USCIS hereby approves the requested designation of CWVRC as a Regional Center under the Immigrant Investor Pilot Program.

FOCUS OF INVESTMENT ACTIVITY AND CAPITAL INVESTMENT THRESHOLD:

The USCIS-approved focus of the CWVRC business plan and job creation analysis and multipliers is to generate immigrant investor capital into the Napa Vineyards Fund seeking 98 investors with each investing \$500,000 to create a \$49 million investment fund that will invest into vineyards (farmland) and or troubled wineries in Napa County, CA. Any future expansion in scope or geographic area will require an amendment proposal.

As such, aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the CWVRC area comprised of the county of Napa, CA. The geographic focus of this area contains certain Rural Areas as defined in 8 CFR 204.6(e) that qualify as Targeted Employment Areas (TEAs). Therefore, the minimum capital investment threshold for any individual immigrant investment into the commercial enterprise throughout CWVRC shall be not less than \$500,000 if within a TEA or \$1,000,000 if outside a TEA.

EMPLOYMENT CREATION:

Alien entrepreneurs who file petitions for commercial enterprises located in the CWVRC area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the alien entrepreneur's investment. This determination has been established by way of USCIS' acceptance of the final economic analysis that is contained as part of the approved CWVRC proposal and its indirect job creation model and multipliers contained within the final approved CWVRC application package.

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs" in support of an immigrant investor's individual I-526 petition affiliated with the CWVRC, then:

- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, the petition must be supported by a comprehensive detailed business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Each individual petition, in order to demonstrate that it is associated with the CWVRC, in conjunction with addressing all the requirements for an individual alien entrepreneur petition, shall also contain as supporting evidence relating to this amended regional center designation, the following:

1. A copy of this letter for the CWVRC approval and designation.
2. A copy of the approved regional center narrative proposal and business plan.
3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the regional center economic analysis which has been approved by USCIS, which reflects that investment by an individual alien investor of at least \$500,000 or \$1,000,000 into an approved project category will create full-time employment positions, either directly or indirectly, for not fewer than ten qualified employees per alien investor within the two years of conditional residence.
4. Evidence of complete investment of funds.
5. Evidence of lawful source of funds.
6. A legally executed copy of:
 - a. the Offering Letter,
 - b. the Escrow Agreement,
 - c. the Subscription Agreement.

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE CALIFORNIA WINERIES & VINYARDS REGIONAL CENTER (CWVRC):

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved regional center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting

economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your regional center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated regional center, your administration, oversight, and management of your regional center shall be such as to monitor all investment activities under the sponsorship of your regional center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year¹, commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the regional center responsible for the normal operation, management and administration of the regional center.
2. Be prepared to explain how you are administering the regional center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.
3. Be prepared to explain the following:
 - a. How the regional center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.
 - b. How the regional center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the regional center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the regional center.
4. Be prepared to provide:
 - a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:
 - i. the petition was filed,
 - ii. is pending,
 - iii. was approved,
 - iv. denied, or
 - v. withdrawn by the petitioner, together with the date(s) of such event.

¹ A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

- b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.
 - c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - e. For each alien investor listed in item 4.a.. above, identify the following:
 - i. the date(s) of investment in the commercial enterprise;
 - ii. the amount(s) of investment in the commercial enterprise; and
 - iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or regional center from when the investment was initiated to the present.
5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your regional center that have:
 - a. received alien investors' capital, and in what aggregate amounts;
 - b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;
 - c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:
 - i. The name and address of each "direct" job creating commercial enterprise.
 - ii. The industry category for each indirect job creating investment activity.
6. Be prepared to provide:
 - a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your regional center.
 - b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your regional center.
7. The total aggregate sum of EB-5 alien capital invested through your regional center for

each Federal Fiscal Year to date since your approval and designation.

8. The combined total aggregate of “new” direct and/or indirect jobs created by EB-5 investors through your regional center for each Federal Fiscal Year to date since your approval and designation.
9. If applicable, the total aggregate of “preserved” or saved jobs by EB-5 alien investors into troubled businesses through your regional center for each Federal Fiscal Year to date since your approval and designation.
10. If for any given Federal Fiscal Year your regional center did or does not have investors to report, then provide:
 - a. a detailed written explanation for the inactivity,
 - b. a specific plan which specifies the budget, timelines, milestones and critical steps to:
 - i. actively promote your regional center program,
 - ii. identify and recruit legitimate and viable alien investors, and
 - iii. implemented strategy to invest into job creating enterprises and/or investment activities within the regional center.
11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your regional center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your regional center’s hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.
12. Finally, please be aware that it is incumbent on each USCIS approved and designated regional center, in order to remain in good standing, to notify the USCIS Immigrant Investor Program within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:
 - the name and contact information of the responsible official and/or Point of Contact (POC) for the RC,
 - the management and administration of the RC,
 - the RC structure,
 - the RC mailing address, website address, email address, phone and fax number.
 - the scope of the RC operations and focus,
 - the RC business plan,
 - any new, reduced or expanded delegation of authority, MOU, agreement, contract, etc.

- with another party to represent or act on behalf of the RC.
- the economic focus of the RC, or
 - any material change relating to your regional center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the CWVRC approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS Immigrant Investor Program by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,



 Barbara Q. Velarde
Chief
Service Center Operations

cc: Official File



California Wineries & Vineyards LLC
(CWVRC)

Sonoma Vineyards Fund

Purpose of Fund

- To establish a USCIS designated EB-5 Regional Center within Sonoma County located in Northern California
- To raise \$25 million for Sonoma Vineyards Fund for:
 - purchasing of 200 acres of planted vineyards/farmland to produce wine grapes
 - investing into existing trouble wineries and/or vineyards that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).
- Our goal is to seek 50 foreign investors – each will contribute \$500,000 into this Fund that can bring good prospect of economic impact to Sonoma County and at the same time can gain permanent residency to the United States

Investment Terms

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Commercial Activity Involved

Wine grape growing in Sonoma county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Sonoma Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Sonoma county:

- Wine or table grape growing, harvesting and processing
- Wine making, manufacturing and bottling
- Wine warehousing & storage
- Wholesale and retailer trade to both domestic and overseas buyers
- Truck transportation



The Fund Brings Following Benefits to Sonoma County

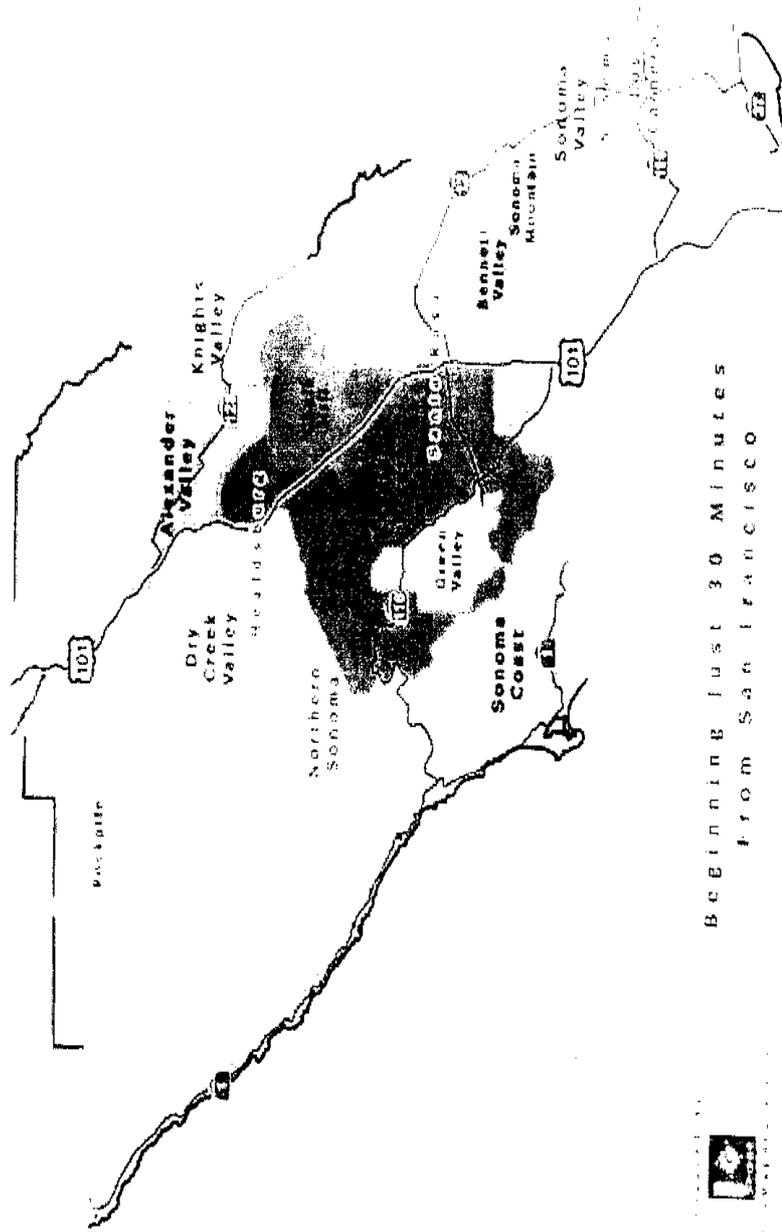
- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide

Wine in Sonoma Valley

- Sonoma County has an unparalleled wine history, with the first grapes planted in 1812 at Fort Ross on the Sonoma Coast, and California's oldest premium winery, Buena Vista, founded in 1857. With Sonoma's combination of history, heritage, and new winemakers, the county is home to many dynamic multi-generational family wineries
- Sonoma Valley is widely considered one of the top AVAs in California, and all of the United States
- Sonoma Valley's boutique wineries produce some of the world's best wines. The producers of these wines include but are not limited to: Arrowood, Clos du Bois, Chalk Hill Winery, Chateau St. Jean, Ferrari-Carano Vineyards & Winery, Gallo, Geysler Peak, Kendall-Jackson, etc..
- During the early decades of winemaking in the Sonoma, grapes were often planted in patchwork pattern vineyards in which many varieties were mixed. But experience has since shown the wisdom of matching grapes with locations whose microclimates and soils are best suited to particular grape varieties.
- Today Sonoma features more than two hundred wineries and grows many different grape varieties including Cabernet Sauvignon, Pinot Noir, Zinfandel, Chardonnay and other popular varietals. Sonoma is visited by as many as three million people each year.

Wine Appellation Chart

Sonoma County Wine Regions



Beginning Just 30 Minutes
from San Francisco

Appellations

Sonoma County's large number of AVAs (13) reflect the wide variety of climate and soil conditions in the County, the large production in the County, and the prominence of Sonoma County in the wine market. The difference in climate and soil (terroir), means that cooler climate grapes grow well in certain regions and in others warm climate grapes are more suitable. The large production of the County means that each AVA is significant in its own right. The prominence of the California wine industry and Sonoma County in particular has established worldwide recognition of their wine regions.

- **Alexander Valley**

The Alexander Valley AVA is one of the most densely planted of all of Sonoma County's AVAs. Located along the Russian River, the boundary of this appellation extends north of Healdsburg up to Mendocino County north of Cloverdale. Viticultural has existed in the area since the 1850s but the wine industry has only fairly recently experienced success beginning in the 1960s with Simi Winery. Significant purchases of vineyard land by E & J Gallo Winery in 1988 and Kendall-Jackson in 1996 also raised the the profile of the Alexander Valley. The profile of Alexander Valley wines has historically centered around the approachability and richness of the wines with Cabernet Sauvignon being noted for characteristic chocolate notes and warm mouthfeel. After Cabernet, Chardonnay is one of the leading varietal plantings followed by Sauvignon Blanc and Zinfandel.

- **Bennett Valley**

The Bennett Valley AVA is one of Sonoma County's newest AVAs and is a principal grape supplier to Kendall-Jackson. The AVA is surrounded to the south, east and west by the Sonoma Mountains and to the north by the city of Santa Rosa. The region receives a moderating effect on its climate from Pacific Ocean through the cool coastal fogs and breeze that creep into the area from the southwest through Crane Canyon between Sonoma Mountain and Taylor Mountain.

- **Chalk Hill**

The Chalk Hill AVA is a sub-appellation of the Russian River Valley located near the town of Windsor along the foothills at the southern end of Alexander Valley and along the Santa Rosa plain.[9] The name Chalk Hill comes from the unique volcanic soil of chalky white ash which has shown itself to perform well with planting of white wine varieties like Chardonnay and Sauvignon Blanc. The majority of the region's wineries are located on the western slopes of the Mayacamas Mountains.

- **Dry Creek Valley**

The view from Teldeschi Winery in the Dry Creek Valley AVA The Dry Creek Valley AVA in the Russian River Valley centers around the Dry Creek, a tributary of the Russian River, and is approximately 16 miles (25.7 km) long and 2 miles (3.2 km) wide. The appellation is known particularly for its Sauvignon Blanc and Zinfandel production. Dry Creek Valley AVA is home to the majority of the Sonoma Gallo vineyards, who established winery facilities in the valley in the early 1990s.

- **Green Valley of Russian River Valley**

Green Valley of Russian River Valley AVA was formerly known as the Sonoma County Green Valley AVA. Located at the southwestern corner of the Russian River Valley AVA, its close proximity to the Pacific Ocean makes it one of the coolest appellations within Sonoma County. The climate in the Green Valley is even cooler than other parts of the Russian River Valley, and favors the cultivation of cool climate grape varieties. Seeking to connect the region with the more commercially successful Russian River Valley name, the appellation formally changed its name on April 23, 2007.

- **Knights Valley**

The Knights Valley AVA occupies the boundaries between the southern end of the Alexander Valley AVA and the northern end of Napa Valley. Some of the earliest vineyards in the area was owned by Beringer Vineyards. The area is known for its Cabernet Sauvignon.

- **Los Carneros**

The Los Carneros AVA spans across the last, low hill of the Mayacamas Mountains dividing both Napa and Sonoma Valleys just north of San Pablo Bay. The larger portion of the appellation stretches into Sonoma County with grapes grown here also being allowed to use the Sonoma Valley AVA designation. The area's close proximity to the Bay made it an ideal location for Pinot Noir and Chardonnay production with producers from international Champagne houses such as Moët et Chandon (Domaine Chandon California), Taittinger (Domaine Carneros), and Cava producers soon planting vineyards or sourcing grapes from the area.

- **Northern Sonoma**

The Northern Sonoma AVA is an all encompassing appellation that covers all of Sonoma County with the exception of the Sonoma Valley and some areas of the Petaluma River watershed. The AVA was proposed by E & J Gallo to accommodate wines made from a blend of grapes from scattered vineyards in Sonoma County.

- **Rockpile**

The Rockpile AVA is situated at the northwest point of the Dry Creek Valley AVA, past Healdsburg. The area was first planted by Italian immigrants at the turn of the 20th century. Many of today's vineyards were formerly occupied by a reservoir created by the Warm Springs Dam on the Russian River. The area is known for its fruity, ripe Zinfandels.

- **Russian River Valley**

A vineyard in the Russian River Valley AVA Russian River Valley AVA is adjacent to the city of Santa Rosa and the Russian River, where it bends and cuts through the Coast Range to the coast. The AVA is characterized by the regular intrusion of cooling fog from the Pacific Ocean. The fog flows through the Petaluma Wind Gap and the channel cut by the river. The fog generally arrives in the evening or early morning and retreats before noon in the day. The appellation was granted AVA status in 1983 and accounts for about one-sixth of the total planted vineyard acreage in Sonoma County. In 2005 the AVA was expanded by 30,200 acres (122 km²) to 126,600 by recognizing previously overlooked portions of the fog regions. Presently the Russian River AVA includes more than 15,000 acres (61 km²) planted to wine grapes.

At last count, 79 wineries were listed in the Russian River Valley Winegrowers website. The area is known for its success with cool climate varietals, notably Pinot Noir and Chardonnay.

- **Sonoma Coast**

Sonoma Coast AVA contains more than 500,000 acres (2,000 km²), mostly along the coastline of the Pacific Ocean. It extends from San Pablo Bay to the border with Mendocino County. The appellation is known for its cool climate and high rainfall relative to other parts of Sonoma County.

- **Sonoma Valley**

Grapes growing along State Route 12. Sonoma Valley AVA is known for its unique terroir with Sonoma Mountain protecting the area from the wet and cool influence of the nearby Pacific Ocean. The Sonoma Mountains to the west help protect the valley from excessive rainfall. The cool air that does affect the region comes northward from San Pablo Bay through the Carneros region and southward from the Santa Rosa plain. Sonoma Valley has played a significant role in the history of California wine.

- **Sonoma Mountain**

Sonoma Mountain AVA, in the Sonoma Mountains, includes the town of Glen Ellen and is bordered on the west by the Sonoma Valley AVA. The area is known for the diverse micro-climates that occur within the crevices and folds of the hillside terrain and as such is home to production for a wide range of varietals including Cabernet Sauvignon, Chardonnay, Pinot Noir, Sauvignon Blanc, Semillon, and Zinfandel.

2008 Harvest Report

- Winegrowers across the renowned Sonoma County met the challenges of a crazy weather year when growers dealt with frost, drought, strong winds, heat waves and even smoke from fires across the state as they diligently guided the vines towards harvest time. Despite the ups and downs of a season of extremes, 2008 looks to be another excellent vintage from Sonoma County with lower crop levels but terrific quality.
- Each year growers and vintners adapt and change as the conditions in the field change day to day. The level of vine management in superior quality regions like Sonoma find growers with tools to react to almost anything thrown at them, it has been said that agriculture in Sonoma is nearly elevated to the art of horticulture in how each vine, each block is nuanced to grow these high-quality wine grapes. Twenty or 30 years ago, vineyard crews would work the vineyard three times: prune, sucker and pick. Today many viticulturists say their crews make more than 20 passes though each vineyard, individually managing each vine's canopy for optimal sun to shade exposure, positioning only the finest clusters to continue through veraison to harvest and pre-selecting from the vine the best to be taken to the winery for crush. While other winegrowing regions are brining in 10, 12 or 16 tons per acre, Sonoma vintners are selective bringing in only the best, averaging not more than three tons per acre and in many cases far less. Of note, Sonoma accounts for 8% of California's production, and its wines provide for about a third of the economic impact of the state's wine industry.

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Investment Opportunity Vineyards



- The appellation of Sonoma County totals more than one million acres of land of which 60,000 acres are planted to winegrapes. The county includes 13 distinct AVAs as well as being a part of the North Coast AVA. The larger Sonoma Coast AVA has with 517,000 acres. Chardonnay takes the lead as the most planted variety with 15,100 acres, and Cabernet Sauvignon is the next most planted variety with 11,900 acres. The area produces about eight percent of California's total wine production.
- Sonoma County is 52 miles wide and 47 miles long and is currently home to 260 wineries. On the east, Sonoma County borders Napa Valley along the Mayacamas Range. About two million years ago, volcanic eruptions deposited a series of ash and lava called the Sonoma Volcanics throughout much of Sonoma and Napa Counties, especially along the Mayacamas Range. The western edge of the County is the California coastline along the Pacific Ocean. Sonoma County borders Mendocino County in the north and Marin County in the south.
- Luther Burbank called Sonoma County "the chosen spot of all the earth as far as nature is concerned." A vastly diverse range of topography, including numerous small valleys with distinct microclimates, the Russian River and the Pacific Ocean, all characterize the region. A moderate climate with a cooling maritime influence, Sonoma County embodies ideal and diverse grapegrowing weather: from valley to hillside, moist ocean coast to dry inland, and cool southern regions that complement the warmer, more northern areas.

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Wine Industry in the California

- Wine is the number one finished agricultural product in retail value in the U.S.
- California is America's top wine producer, making 90% of all U.S. wine.
- California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- California's high wine quality is tied directly to the state's ideal climate, topography, and soil for wine grapes, so the industry will always be based in California.
- California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- Produces \$51.8 billion in economic value for California.
- Generates \$125.3 billion for the U.S. economy.
- U.S. Wine Exports (95% from California) is \$951 million winery revenues 2007 - up 594% from \$137 million in 1990.
- Creates 309,000 jobs in California and a total 875,000 jobs.
- Retail Value of California Wine in the U.S. \$18.9 billion in 2007.
- Creates 309,000 jobs in California.
- California Wine Sales to the U.S. 192 million cases in 2007- up 21% from 156 million cases in 1990.
- Attracts 19.7 million tourists annually to all regions of California.

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Organizations That We Work With

- Alexander Valley Association
- Alexander Valley Winegrowers
- California Wine Institute
- Dry Creek Valley Association
- Sonoma County Chambers of Commerce
- Sonoma County Vintners Association
- Sonoma County Winegrape Commission
- Sonoma Valley Chamber of Commerce
- Sonoma Valley Vintners & Growers Alliance
- Winegrowers of Dry Creek Valley

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Sonoma County Grape Acreage History

<u>Year</u>	<u>Acres</u>
1893	23,300
1919	17,000
1920	18,000
1925	19,350
1930	21,300
1934	21,500
1940	21,125
1945	21,958
1950	15,849
1955	11,168
1960	10,705
1965	11,188
1970	12,597
1975	13,798
1980	23,639
1985	28,099
1990	33,164
1995	36,330
1996	38,399
1997	40,001
1998	44,681
1999	51,467
2000	55,877
2001	58,665
2002	59,891
2003	59,973
2004	60,065
2005	60,026
2006	60,302
2007	60,928

(Prune acres 15,248)

Sonoma County Economic Development Board



Industry Report Series

2006 Wine Report



*Presented by the Sonoma County Economic Development Board, in
partnership with the Sonoma County Workforce Investment Board*

EDB
Sonoma County
Economic Development Board

SONOMA COUNTY
WORKFORCE
INVESTMENT BOARD

Released: August 2006

2006 Wine Report

August 2006

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB), is pleased to bring you the 2006 Wine Report. Our research partner, Moody's Economy.com, produced this report for the EDB.

Highlights from the 2006 Wine Report include:

- **The local wine industry is in the midst of a healthy recovery.** A strong grape crush in 2005 and improved prices have contributed to one of the best years the local wine industry has seen in almost a decade. The outlook for the industry also remains broadly positive.
- Total grape tonnage set a new record in 2005 for both Sonoma County and California. **Sonoma County's total grape tonnage was up a whopping 39% in 2005.** At 230,000 tons, the crop barreled past the previous record set in 2000.
- **Consumer spending on wine and brandy rose by over 10% in 2005, the fastest pace of growth since 1990.** Further, consumer spending data through April 2006 affirms that spending continues to grow at a double-digit clip through early 2006, suggesting that this will be another banner year for wine demand nationally.
- **The average grape price rose a modest \$3 per ton in 2005, just over 0.1%, relative to the 1.8% average increase seen statewide.** This was largely on the back of a 9.4% surge in prices for Sonoma County pinot noir. Even with the 18% increase in tonnage of pinot noir harvested in Sonoma, demand for the grape appears to have grown even more strongly.
- **The long-term outlook for Sonoma County's wine industry remains favorable.** With wine named in a recent Gallup survey as the most preferred alcoholic beverage by a majority of Americans, the prospects are only getting better.

Thank you for your continued interest in the Economic Development Board's research. As always, if you have questions or suggestions, please feel free to contact us at (707) 565 - 7170.

Sincerely,



Ben Stone
Executive Director

This information is presented as a convenience to the public, and should not be the sole source used in making business decisions. Individuals/businesses should consult with recognized professionals regarding their specific business issues involving economic data.

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Wine Industry - Sonoma County

Recent Trends. The North Bay wine industry is in the midst of a healthy recovery. A strong grape crush in 2005 and stable prices have contributed to one of the best years the local winemaking industry has seen in almost a decade. The outlook for the industry also remains broadly positive.

Virtually all indicators of economic activity in the wine industry point to an excellent year. Total grape tonnage set a new record in 2005 for both Sonoma County and California. Sonoma County's total grape tonnage was up a whopping 39% in 2005. At 230,000 tons, the 2005 crop barreled past the previous record set in 2000. The record wine harvest is good news for wineries, but not so good for growers.

With white wine production accounting for 39% of Sonoma County's grape crop, the county benefited from the increase in white wine grape prices in 2005. Prices for most white wine varieties, especially chardonnay, generally rose in 2005, while most red wine varieties saw a drop in prices in 2005. The exception was pinot noir, which saw a robust increase in planted acreage and a modest increase in prices. Concurrently, Sonoma County acreage of chardonnay also increased in 2005, allowing local growers to benefit from the higher prices.

Demand for wine grew at a remarkable clip through 2005 and into early 2006, as the broader economic recovery drove healthy income growth. Spending on wine and brandy rose by over 10% in 2005, the fastest pace of growth since 1990. Further, consumer and corporate spending data through April 2006 affirms that spending continues to grow at a double-digit clip through early 2006, suggesting that this will be another banner year for wine demand nationally.

Notably, unlike two years ago, consumer and corporate demand growth is not being driven solely by the availability of affordable domestic and imported wines. In fact, consumer prices for wine have been steadily rising. Consumer prices for wine rose in 2005 at the fastest pace since 1997, a marked turnaround from the lackluster price growth seen between 2000 and 2004. Prices paid by consumers for wine accelerated further through April 2006. This confirms other recent research suggesting that consumer tastes are shifting to higher-priced wine. Sales of higher-priced wine have risen markedly, even as sales of wines priced at below \$7 a bottle fell in 2005.

Strong domestic demand for wine has also led to sturdy imports of wine. Wine imports nationally returned to a double-digit growth

pace in 2005. The strength of the dollar in the past year likely also helped boost wine imports, although it correspondingly weighed on exports. Total U.S. wine exports fell over 7% in 2005. This follows two years of 20%+ growth in exports. With the dollar weakening in the first half of 2006, exports are already getting some support.

Macro drivers. U.S. economic growth has peaked and is poised for slower growth in the coming year. Growth in the first quarter came in much stronger than expected, on the back of strong corporate profit growth and steady expansion in industrial activity. Consumer confidence has moderated in recent months, but remains well above its low point of early 2003. Record corporate profits are also bolstering business entertainment spending.

That said, the outlook has taken a decidedly darker hue during recent months. The economy is clearly hitting capacity, with the jobless rate steadily declining and industrial capacity utilization peaking. Consumer spending is holding up, but growth is slower than before. More importantly, the national housing market is showing a sharper slowdown than anticipated, with the pace of new home construction, and home sales both clearly slowing. Job growth has also slowed through May 2006. Finally, inflationary pressures are picking up. Accelerating inflation raises the possibility of further interest rate hikes.

The main concerns currently are the potential impact of rising interest rates on consumers' high household debt burdens, as well as the impact of persistently high oil and gas prices on consumer spending. High debt burdens are expected to constrain consumer spending primarily among lower-income households, muting the impact of such a slowdown on the wine industry. Rising interest rates and fuel prices will affect growers and vintners as well, further squeezing profitability. All of this will have a stronger effect on lower and middle class homes, while the wealthier consumers are better insulated against credit and energy pressures.

Industry drivers. Apart from the sheer quantity of wine grape harvest this year, 2005 also promises to be a good year for quality. A perfect storm of factors, from the long, cool growing season to the delay in winter rains, all have helped craft a high-quality crop for the year.

The big crop in 2005 took most industry participants by surprise, coming as it did after two years of subpar harvests. Although this year's bumper crop will have a dampening

effect on prices for growers, it could also help alleviate what is expected to be a much smaller harvest in the coming year, according to early predictions by viticulturists. Further, the larger crop has translated into a significant boost in income for local growers, helping ameliorate lower revenues of the past two years.

An important industry development in the past year has been the Supreme Court ruling that has begun opening up the national wine market to direct shipping from California. In May 2005, the Supreme Court ruled that states could not ban direct shipments of wine through the mail for wineries outside of their border if they allowed the same for wineries within their border. The ruling opened up over eight large states to national competition for direct shipping, including New York, Pennsylvania, Florida and Texas. The number of states allowing legal shipping of wine by mail rose from 25 to 33, representing 78% of total consumers in the U.S., versus 50% previously.

Despite the vast increase in the potential market, the ruling has not been a universal positive for the industry. This is because several states have enacted new bureaucracy and taxes that make it difficult for the smallest wineries to compete and take advantage of the new provisions. Still, by and large, the development is positive news for vintners looking to expand domestic share.

Trade with Europe, a destination of over half of U.S. wine exports, is bound to be helped by a new trade agreement signed by the U.S. and the European Community (EC). The agreement settles several long-running issues between the two communities in the wine trade arena, most importantly the recognition of each other's winemaking practices. Previously, EC recognition of American wines required temporary approvals every time wine was shipped, which made it expensive and cumbersome for American wineries to ship to Europe. The EC had already accepted the winemaking practices of countries like South Africa and Australia under separate trade agreements, which had put American winemakers at a distinct disadvantage in the European market.

The opening up of the European market also coincides with a change in domestic vintage regulation that could improve winemakers' production efficiency, and increase total wine consumption. The U.S. Alcohol and Tobacco Tax and Trade Bureau recently approved regulations that would trim the minimum content of wine designation for a given year from 95% to 85%. This is more consistent with practices in

New Zealand and the EU, and closer to the 75% allowed in South Africa and Chile. This should improve the flavor of the wines by allowing blending with smoother aged wine, and weigh on some of the appeal of the new world wines.

Pricing. Pricing is starting to improve for Sonoma County winegrowers in 2005, although at a pace well below the state average. The average price rose a modest \$2 per ton in 2005, just over 0.1%, relative to the 1.8% average increase seen statewide. This was largely on the back of a 9.4% surge in prices for Sonoma County pinot noir. Even with the 18% increase in tonnage of pinot noir harvested in Sonoma, demand for the grape appears even stronger. Sonoma County's more dominant white wine varieties like chardonnay and sauvignon blanc both saw very modest but still positive increases in price from last year.

Most red varieties continue to be weighed down by excess supply. Cabernet sauvignon and merlot prices both fell about 3% in 2005 on robust increases in tonnage. Sonoma County zinfandel also saw a drop in prices last year.

The four north coast counties cater to different wine markets, with the highest priced grapes grown in Napa County, followed by Sonoma, Mendocino and Lake, in that order, as determined by data from the California Grape Crush report. As a result, Napa and Sonoma tend to cater to the higher-end wine market, Mendocino and Lake to the middle-end market. Napa prices are the highest across most varieties, with the notable exception of zinfandel, where Sonoma enjoys the highest prices in the region.

Operating expenses. Labor costs comprise two-thirds of the cost of producing wine grapes. After tepid labor force growth in 2004 and the first half of 2005, the Sonoma County labor force started to shrink again through the second half of 2005 and 2006 thus far. Still, there are few signs of a labor shortage. Further, increased mechanization of harvesting techniques has helped ease demand for labor in the region's vineyards.

That said, the Sonoma County wine industry will be closely watching the unfolding immigration debate, and especially the progress of President Bush's plan for a guest worker program for migrant workers.

Mendocino grape growers and wineries recently voted overwhelmingly to institute a new tax to create a commission that would market local wines and grapes. Sonoma County growers will also be voting by July 10 on whether to institute a grower-only commis-

sion to help promote local wines and grapes nationally and globally. The approval of such a measure, which is quite likely, will add a cost to local growers, but could well bring far bigger benefits.

Profitability. Wine grape growers and vintners are facing a broad improvement in profitability. For vintners, increased consolidation, coupled with strong consumer demand for wine, especially premium-priced wine, has helped bolster corporate bottom lines. Fewer regulations are also helping vintners bolster bottom lines. Smaller wineries in particular have cashed in on the consumer trend of shifting to premium priced wine.

The general improvement in profitability in the wine industry is best exemplified by the increase in merger and acquisition activity in the industry. The past year has been a busy one for M&A activity in the wine industry, not unlike the broader corporate sector. One of the more notable moves was Pernod Ricard's acquisition of Allied Domecq, followed quickly by the sale of the majority of Allied Domecq's U.S. wine brands—including several Bay Area brands such as Clos du Bois and Buena Vista—to Fortune Brands. Constellation Brand is also digesting its purchase of Mondavi Corp. This reflects the improved fortunes of some of the largest players in the wine world, and a departure from the more strenuous cost-cutting and reorganization following the price wars in 2002-2003.

The dollar is expected to weaken further in the coming year against most global currencies. This in turn will improve the cost-competitiveness of Sonoma County appellations in key emerging markets in Asia, such as China, India and Korea, as well as in Europe.

Long-term outlook. The long-term outlook for Sonoma County's wine industry remains favorable. Improving name recognition and rising wine consumption globally are the positive fundamentals driving the industry's outlook. With wine named in a recent Gallup survey as the most preferred alcoholic beverage by a majority of Americans, the prospects are only getting better.

Demographic trends suggest healthy longer-term prospects. The Wine Market Council reports that per capita consumption of wine has been rising steadily since the early 1990s, rising to a new record of 2.77 gallons in 2004. Core wine drinkers—those who consume wine at least weekly—account for 12% of the total population but 80% of consumption, and this share of core consumers has risen from 2000 to

2004 after holding steady through the 1990s. Finally, the share of the core consumers in the population rises with age cohort, an encouraging sign in an aging country.

Per capita consumption in the U.S. is still well below rates in Europe, suggesting potential for growth. As the baby boomer generation moves into its fifties and sixties, its disposable income will rise. There is a good likelihood that their demand for wine will rise as the economy improves, and their penchant for collecting luxury wines may increase as well.

Longer term, the wine industry will benefit from the new millennial generation of wine drinkers that will hopefully pick up the mantle as baby boomers age. The oldest of this new large cohort, almost as big as the baby-boomer cohort, are now in their early 20s, and 40% of this cohort are considered core wine drinkers. The challenge for the wine industry will be to deepen its attraction of marginal drinkers, who have cut their consumption of wine over the past three years.

The strategic threat of lower-cost wine with fruitier flavors from wineries in Australia, Chile and South Africa is very real. Large wineries have reduced their exposure to this competition by acquiring properties in several of these areas, but local growers and small vintners will continue to be pressured by the cheaper and consumer-friendly wines from the New World wineries.

Upside risks. The wine industry is making forays into several new markets, by re-branding and labeling wines to attract younger drinkers, women and minorities. Success in these new strategies would also boost wine consumption. A further departure into higher priced wines by an adoring consumer base is also a possibility.

Foreign markets also present some upside potential as untapped consumer markets in China, Russia, Southeast Asia, and the Middle East blossom.

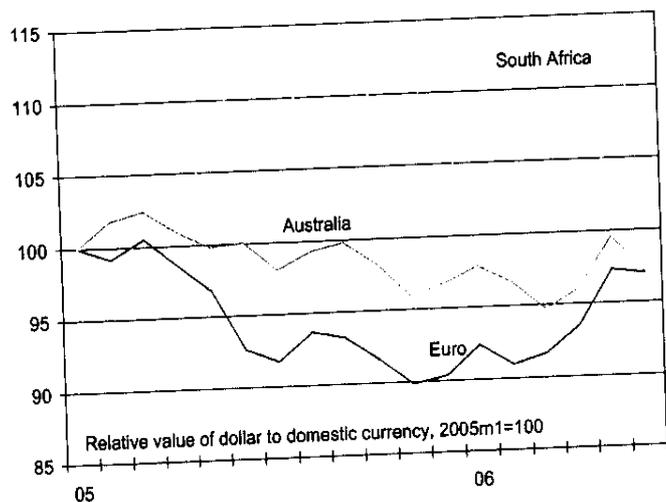
Downside risks. The most serious downside risk is from pestilence, specifically from the glassy-winged sharpshooter and its accompanying Pierce's Disease, or from the vine mealybug. There have been no significant pestilence problems reported thus far this season, but this is a threat that bears watching.

Competition from other appellations in California and other regions nationally and internationally may make it increasingly difficult for Sonoma County labels to maintain their recognition.

Rakesh Shankar
July 2006

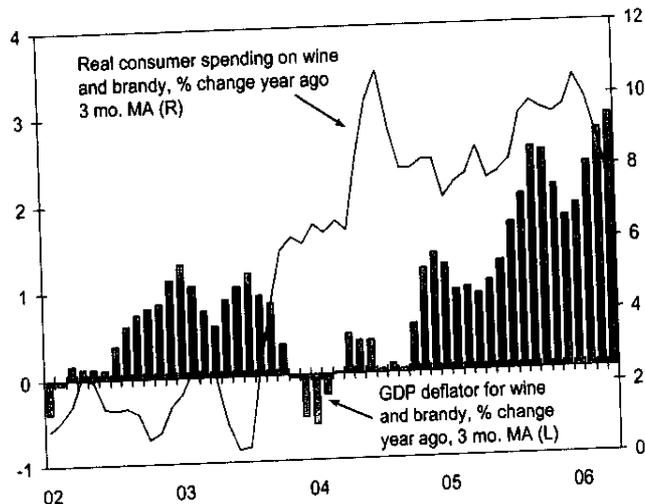
Wine Industry - Sonoma County

Global Pricing Power Was Weak Last Year, but Will Improve



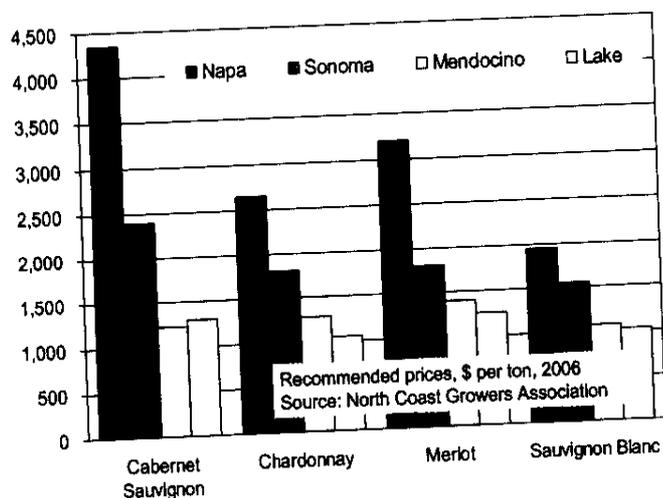
The strengthening of the dollar over the past year was broadly detrimental to the U.S. wine industry. Wine exports fell in 2005 for the first time in over 20 years. Over the same period, the dollar strengthened against the currencies of the U.S.' major wine export destinations. Conversely, weaker currencies in countries that the U.S. import wines from, including Australia and Chile, made imports far more competitive last year. That said, Moody's Economy.com expected the recent weakening in the dollar to persist through the remainder of 2006, which should serve to boost wine exports in the coming years.

A Good Time to Be in the Wine Business



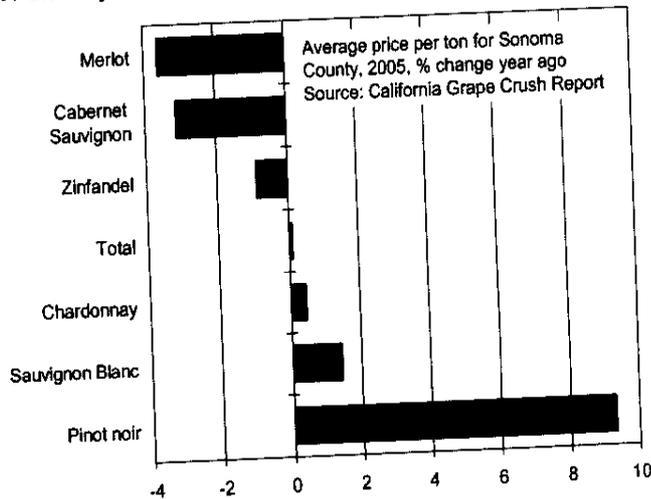
The domestic wine industry is in the midst of a boom period, thanks to steady growth in consumer demand for wine. Robust demand growth has come despite an acceleration in prices for wine, which has been a double benefit to winemaker revenues. There has been some moderation in demand growth in recent months, however, as price growth has hit a five-year high. With a slowdown expected in the broader economy and in housing markets in particular, as interest rates rise and fuel prices are elevated, discretionary spending is expected to moderate. This could limit further demand growth in the next two years.

Clear Price Differentials Across the Region



Prices serve as a good indicator of quality in the wine industry and help point to the target market of the wine. Sonoma wines tend to be in the mid-price range, which is typically a weak export category. Sonoma is most invested in white wines and dominates in their production, and also commands higher prices for most of its white wine varieties, especially for its muscat blanc. Chardonnay is the notable exception, where neighboring Napa still enjoys higher prices and perceived quality. On the red wine front, Sonoma enjoys the highest price in the region for its zinfandel varieties.

A 'Sideways' Effect for Pinot Noir



Reds are still in the red in Sonoma County, and in California in general. The market is still dealing with an excess supply situation for most red wine varieties. The record-breaking grape crush from last year hardly helped, putting downward pressure on prices for most red varieties. Harvested cabernet sauvignon and zinfandel tonnage rose nearly 50% in Sonoma County in 2005. The sole exception to the red wine blues has been pinot noir, which has benefited from strong pricing growth despite an 18% increase in harvested tonnage. The success of the movie "Sideways" is widely cited for the increasing American demand for pinot noir.

LIMITED LIABILITY COMPANY

OPERATING AGREEMENT

FOR

**CALIFORNIA WINERIES & VINEYARDS LLC
Sonoma Vineyards Fund**

A Manager-Managed Limited Liability Company

THIS LIMITED LIABILITY COMPANY AGREEMENT (the Agreement) is made and entered into this _____ day of _____, 2008 by California Wineries & Vineyards LLC and each individual or business entity later subsequently admitted to the Company. These individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member."

[Insert Member names]

As of this date the Members, through their agent, Natural Econometric Incorporated have formed the California Wineries & Vineyards Limited Liability Company named above under the laws of the State of California. Accordingly, in consideration of the conditions contained herein, they agree as follows:

ARTICLE I

Company Formation and Registered Agent

1.1 FORMATION. The Members hereby form a Limited Liability Company ("Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. A Certificate of Formation shall be filed with the Secretary of State.

1.2 NAME. The name of the Company shall be: CALIFORNIA WINERIES & VINEYARDS LLC

1.3 REGISTERED OFFICE AND AGENT. The location of the registered office of the Company shall be:

California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
177 Bovet Road, Suite 600
San Mateo, CA 94402

(b)(4)

1.5 CONTINUANCE OF COMPANY. Notwithstanding the provisions of ARTICLE 1.4, in the event of an occurrence described in ARTICLE 1.4(c), if there are at least two remaining Members, said remaining Members shall have the right to continue the business of the Company. Such right can be exercised only by the unanimous vote of the remaining Members within ninety (90) days after the occurrence of an event described in ARTICLE 1.4(c). If not so exercised, the right of the Members to continue the business of the Company shall expire.

1.6 BUSINESS PURPOSE. The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed under the Limited Liability statutes of the State of California.

1.7 PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Company shall be:

177 Bovet Road, Suite 600
San Mateo, CA 94402

or at such other place as the Managers from time to time select.

(b)(4)

1.9 ADMISSION OF ADDITIONAL MEMBERS. Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company's Sonoma Vineyards Fund through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

ARTICLE 2
Capital Contributions

(b)(4)

2.1 INITIAL CONTRIBUTIONS. Each Member initially shall contribute to the Company capital as described in Exhibit 3 attached to this Agreement.

2.2 ADDITIONAL CONTRIBUTIONS. Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's Sonoma Vineyards Fund.

ARTICLE 3
Profits, Losses and Distributions

3.1 PROFITS/LOSSES. For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Exhibit 2 as amended from time to time in accordance with Treasury Regulation 1.704-1.

(b)(4)



ARTICLE 4
Management

4.1 MANAGEMENT OF THE BUSINESS. The name and place of residence of each Manager is attached as Exhibit 1 of this Agreement. By a vote of the Members holding a majority of the capital interests in the Company, as set forth in Exhibit 2 as amended from time to time, shall elect so many Managers as the Members determine, but no fewer than one, with one Manager elected by the Members as Chief Executive Manager.

4.2 MEMBERS. The liability of the Members shall be limited as provided under the laws of the California Limited Liability statutes. Members that are not Managers shall take no part whatever in the control, management, direction, or operation of the Company's affairs and shall have no power to bind the Company. The Managers may from time to time seek advice from the Members, but they need not accept such advice, and at all times the Managers shall have the exclusive right to control and manage the Company. No Member shall be an agent of any other Member of the Company solely by reason of being a Member.

4.3 POWERS OF MANAGERS. The Managers are authorized on the Company's behalf to make all decisions as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of their management powers, the Managers are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing.

4.4 CHIEF EXECUTIVE MANAGER. The Chief Executive Manager shall have primary responsibility for managing the operations of the Company and for effectuating the decisions of the Managers.

4.5 NOMINEE. Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.6 COMPANY INFORMATION. Upon request, the Managers shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.7 EXCULPATION. Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the Members.

4.8 INDEMNIFICATION. The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.9 RECORDS. The Managers shall cause the Company to keep at its principal place of business the following:

- (a) a current list in alphabetical order of the full name and the last known street address of each Member;
- (b) a copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- (c) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;
- (d) copies of any financial statements of the limited liability company for the three most recent years.

ARTICLE 5

Compensation

5.1 MANAGEMENT FEE. Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services.

5.2 REIMBURSEMENT. The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

ARTICLE 6

Bookkeeping

6.1 BOOKS. The Managers shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Managers shall select. The company's accounting period shall be the calendar year.

6.2 MEMBER'S ACCOUNTS. The Managers shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:

- (a) any additional capital contribution made by him/her;
- (b) credit balances transferred from his distribution account to his capital account; and decreased by:
 - (a) distributions to him/her in reduction of Company capital;
 - (b) the Member's share of Company losses if charged to his/her capital account.

6.3 REPORTS. The Managers shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

ARTICLE 7

Transfers

7.1 AGREEMENT TO REFRAIN FROM RESALE. Members will not transfer or attempt to transfer any of the Membership Interests or any interest therein (1) to any person who is not a bona fide resident of California for a period of at least five (5) years after the completion of the offering, or (2) in any manner or at any time other than as allowed by the regulations of the California Department of Corporations

Signed and Agreed this _____ day of _____ 20____.

Member _____ Member _____

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS LLC - SONOMA VINEYARDS FUND
LISTING OF MANAGERS

By a majority vote of the Members the following Managers were elected to operate the Company pursuant to ARTICLE 4 of the Agreement:

Natural Econometric Incorporated

Chief Executive Manager

Christina C. Lau

Printed Name

177 Bovet Road, Suite 600

Address Line 1

San Mateo, CA 94402

Address Line 2

Title: Operations Manager

Printed Name: Chak Kwan Wong

177 Bovet Road, Suite 600

Address Line 1
San Mateo, CA 94402

Address Line 2

The above listed Manager(s) will serve in their capacities until they are removed for any reason by a majority vote of the Members as defined by ARTICLE 4 or upon their voluntary resignation.

Signed and Agreed this _____ day of _____, 20__.

Member

Member

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS LLC - SONOMA VINEYARDS FUND
LISTING OF MEMBERS

As of the _____ day of _____, 20__ the following is a list
of Members of the Company:

NAME: ADDRESS:

Authorized by Member(s) to provide Member Listing as of this _____ day of _____,
20__

Member

Member

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

FOR CALIFORNIA WINERIES & VINEYARDS LLC - SONOMA VINEYARDS FUND

CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE 2, the Members' initial contribution to the Company capital is stated to be \$_____. The description and each individual portion of this initial contribution is as follows:

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

SIGNED AND AGREED this _____ day of _____, 20____.

Member

Member

SUBSCRIPTION AGREEMENT

of

CALIFORNIA WINERIES & VINEYARDS LLC

(A California limited liability company)

Sonoma Vineyards Fund

Pursuant to this Subscription Agreement of CALIFORNIA WINERIES & VINEYARDS, LLC (the "LLC"), the undersigned EB-5 Immigrant Investor ("Investor") hereby subscribes to become a Member in the LLC's SONOMA VINEYARDS FUND and to purchase a Membership Interest in the LLC by investing the amount indicated herein, all in accordance with the terms and conditions of this Subscription Agreement, the Limited Liability Company Operating Agreement of CALIFORNIA WINERIES & VINEYARDS LLC (the "Operating Agreement"). All capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Offering Circular.

1. **SUBSCRIPTION FOR MEMBERSHIP INTERESTS.** Investor hereby subscribes for a Membership Interest in the LLC as follows:

(b)(4)

PLEASE MAKE CHECK PAYABLE TO CALIFORNIA WINERIES & VINEYARDS LLC, AND MAIL THIS COMPLETED AND SIGNED SUBSCRIPTION AGREEMENT TO CALIFORNIA WINERIES & VINEYARDS LLC, C/O NATURAL ECONOMETRIC INC., 177 BOVET ROAD, SAN MATEO, CA 94402.

(b) EXACT NAME OF INVESTOR _____

(c) **FORM OF OWNERSHIP:** Please indicate the form of ownership in which INVESTOR will hold title to the Membership Interest. INVESTOR should seek the advice of an attorney in deciding because different forms of ownership can have varying gift tax, estate tax, income tax and other consequences. Check one:

- () INDIVIDUAL OWNERSHIP
- () COMMUNITY PROPERTY
- () JOINT TENANTS WITH RIGHT OF SURVIVORSHIP
- () TENANTS IN COMMON
- () LIMITED PARTNERSHIP

(d) INVESTOR'S ADDRESS: _____

INVESTOR'S PHONE NUMBER: _____
 INVESTOR'S EMAIL: _____

2. **INVESTOR SUITABILITY.** Investor represents and warrants as follows:

(a) If Investor is an individual, then he or she (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of US\$1,000,000; or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of US\$250,000 and an annual gross income of \$350,000 for the two (2) recent years and will continue to have such income for the next five (5) years.

(b) If Investor is a trust, corporation, or other entity, then the principal immigrant investor: (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of US\$1,000,000; or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of US\$250,000 and an annual gross income of \$350,000 for the two (2) recent years and will continue to have such income for the next five (5) years.

3. **ACKNOWLEDGEMENT AND AGREEMENT.**

(a) Investor acknowledges and agrees that this subscription cannot be withdrawn, terminated, or revoked. Investor agrees to become a Member of the LLC and to be bound by all the terms and conditions of the Operating Agreement and Offering Circular. This subscription shall be binding on the heirs, executors, administrators, successors and assigns of Investor. This subscription is not transferable or assignable by Investor.

(b) Investor acknowledges and agrees that this subscription may be rejected, in whole or in part, by the Manager in its sole and absolute discretion. If this subscription is rejected, in whole or in part, or if the Minimum Offering Amount is not raised, then Investor's funds shall be returned, in whole or in part, without interest. This subscription shall be binding on the LLC only upon acceptance by the Manager.

(c) Investor acknowledges and agrees that neither the execution, nor the acceptance of this Subscription Agreement, makes Investor a Member of the LLC. Investor will become a Member only when Investor's funds are transferred to the LLC's Sonoma Vineyards Fund's bank account and a Membership Interest is issued to Purchaser. Until that time, Investor shall have only the rights set forth in this Subscription Agreement.

(d) Investor acknowledges and agrees that Purchaser's rights and responsibilities will be governed by the terms and conditions of this Subscription Agreement, the Operating Agreement, and the Offering Letter. The LLC will rely upon the information provided in this Subscription Agreement and Due Diligence Questionnaire to confirm that Investor is qualified to invest in the LLC's Sonoma Vineyards Fund.

4. **REPRESENTATIONS AND WARRANTIES.** Investor, on behalf of himself, herself, or the entity or trust purchasing the Membership Interest, represents, warrants, and agrees as follows:

(a) Investor has received and read the Offering Letter and its exhibits, and is thoroughly familiar with the proposed business, operations, and financial condition of the LLC. Investor has relied solely upon the Offering Letter and independent investigations made by Investor or Investor's representative with respect to the investment in the LLC's Sonoma Vineyards Fund. No oral or written representations beyond the Offering Letter have been made to me, or relied upon by me.

(b) Investor has read and understands the Operating Agreement and how an LLC functions as a corporate entity. By purchasing the Membership Interest and executing this Subscription Agreement, Investor hereby agrees to the terms and provisions of the Operating Agreement and the Offering Circular.

(c) Investor understands that the LLC has limited financial and operating history. Investor has been furnished with such financial and other information concerning the LLC, its Manager, and its business, as Investor considers necessary in connection with the investment in the Membership Interests. Investor has been given the opportunity to discuss any questions and concerns with the LLC.

(d) Investor is purchasing the Membership Interest for Investor's own account for immigration and investment purposes, and not with a view or intention to resell or distribute the same. Investor has no present intention, agreement, or arrangement to divide any participation with others or to resell, assign, transfer, or otherwise dispose of all or part of the Membership Interest.

(e) Investor, or Investor's investment advisors, has such knowledge and experience in financial and business matters that enables Investor to utilize the information made available to evaluate the risks of this prospective investment and to make an informed investment decision. Investor has been advised by the LLC to consult Investor's own attorney concerning this investment, to consult Investor's own immigration attorney concerning the EB-5 regional center immigration procedure and to consult with independent tax counsel regarding the tax considerations of participating in the LLC's Sonoma Vineyards Fund.

(f) Investor has carefully reviewed and understands the risks of investing in the LLC, including those set forth in the Offering Letter. Investor has carefully evaluated Investor's financial resources and investment position, and acknowledges that Investor is able to bear the economic risks of this investment. Investor further acknowledges that Investor's financial condition is such that Investor is not under any present necessity or constraint to dispose of the Membership Interest to satisfy any existent or contemplated debt or undertaking. Investor has adequate means of providing for Investor's current needs and possible contingencies, have no need for liquidity in Investor's investment, and can afford to lose some or all of Investor's investment.

(g) Investor has been advised that the Membership Interests have not been registered under the Securities Act of 1933, as amended.

(h) Investor represents to the LLC and the other Members that (a) Investor is acquiring the Membership Interest in the LLC's Sonoma Vineyards Fund for immigration and investment purposes for Investor's own account and not with a view to its sale or distribution and (b) neither the Manager nor any other Member has made any guaranty or representation upon which Investor has relied upon concerning the possibility or probability of profit or loss resulting from an investment in the LLC's Sonoma Vineyards Fund.

(i) Investor will notify the Manager and the LLC immediately of any material change in any statement or response made in this Subscription Agreement before acceptance by the Manager of this

subscription, and if accepted, during the term that Investor is a Member of the LLC's Sonoma Vineyards Fund.

(j) Investor has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment, or Investor has consulted with Investor's investment advisors who have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of prospective investment.

(k) Investor is able to bear the economic risk of an investment in the LLC for an indefinite period of time and understands that an investment in the LLC's Sonoma Vineyards Fund is illiquid and may result in a complete loss of such investment.

(l) If Investor is an individual, then he or she must be a bona fide resident or intending resident of California.

5. **AGREEMENT TO REFRAIN FROM RESALE.** Investor will not transfer or attempt to transfer any of the Membership Interests or any interest therein (1) to any person who is not a bona fide resident of California for a period of at least five (5) years after the completion of the offering, or (2) in any manner or at any time other than as allowed by the regulations of the California Department of Corporations.

6. **INVESTOR PARTICIPATION IN BUSINESS.** Investor agrees that throughout his/her terms of investment into the Company and the wineries and/or vineyards of his/her choice, he/she will buy 1000 cases of the wine produced by his/her invested wineries then export and sell the wine in his/her home country.

7. **POWER OF ATTORNEY.**

(a) Investor irrevocably constitutes and appoints the Manager with full power of substitution as his, her or its true and lawful attorney-in-fact and agent, to execute, acknowledge, verify, swear to, deliver, record, and file, in Investor's name or his, her, or its assignee's name, place, and stead, all instruments, documents, and certificates that may, from time to time, be required by the laws of the United States of America, the State of California, and any other state in which the LLC conducts or plans to conduct business, or any political subdivision or agency of the government, to effectuate, implement, and continue the valid existence of the LLC, including, without limitation, the power of attorney and authority to execute, verify, swear to, acknowledge, deliver, record and file the following:

(i) The Operating Agreement, the Articles of Organization, and all other instruments (including amendments) that the Manager deems appropriate to form, qualify or continue the LLC as a limited liability company in the State of California and all other jurisdictions in which the LLC conducts or plans to conduct business;

(ii) All instruments that the Manager deems appropriate to reflect any amendment to the Operating Agreement, or modification of the LLC, made in accordance with the terms of the Operating Agreement;

(iii) A fictitious business name certificate and such other certificates and instruments as may be necessary under the fictitious or assumed name statute from time to time in effect in the State of California and all other jurisdiction in which the LLC conducts or plans to conduct business;

(iv) All instruments relating to the admission of any additional or substituted Member; and

(v) All conveyances and other instruments that the Manager deems appropriate to reflect the dissolution and termination of the LLC pursuant to the terms of the Operating Agreement.

(b) The power of attorney granted is a special power of attorney and shall be deemed to be coupled with an interest, shall be irrevocable, shall survive the death, dissolution, bankruptcy, or legal disability of Investor, and shall extend to Investor's heirs, successors, and assigns. Investor agrees to be bound by any representations made by the Manager acting in good faith under such power of attorney, and each Member waives any and all defenses that may be available to contest, negate, or disaffirm any action of the Manager taken in good faith under such power of attorney.

8. IDENTIFYING INFORMATION:

(a) FOR INDIVIDUAL INVESTOR ONLY:

Name of Investor: _____

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

If applicable, please enter a State for the following:

Residence other than above: _____ Registered to vote: _____

Driver's license: _____ State income taxes: _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service

(List all professional licenses, directorships and elected positions in government service):

Name of Spouse: _____

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

Residence Address: _____

Residence Phone Number: (_____) _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service

(List all professional licenses, directorships and elected positions in government service):

9. INVESTMENT EXPERIENCE OF INVESTOR.

Has Investor had the following investment experience. Check all that apply:

- _____ Stock Market investing for at least two (2) years in self-managed accounts.
- _____ Real Estate investing for at least two (2) years.

- Investing in trust deeds for at least two (2) years.
- Bond investing in self-managed accounts.
- Mutual Fund investing.

10. **INVESTMENT EVALUATION.** Investor agrees and understands that in making this investment, Investor: (a) must have sufficient knowledge and experience in such financial and business matters to be capable of evaluating the merits and risks of a purchase of the Membership Interest; or (b) must retain the services of an "Investment Advisor" (who may be an attorney, accountant, or other financial adviser unaffiliated with, and who is not compensated by, the LLC or any affiliate or selling agent of the LLC, directly or indirectly) for the purpose of aiding in the evaluation of this particular transaction.

Do you intend to have an "Investment Advisor" in order to meet this requirement?

Yes (If yes, the information below must be completed)

No

Name of Advisor(s) and Relationship: _____

Advisor's Address and Phone Number: _____

Qualifications of the Advisor(s): _____

11. **MISCELLANEOUS.**

(a) **CHOICE OF LAWS.** This Subscription Agreement will be governed by and construed in accordance with the laws of the State of California.

(b) **ENTIRE AGREEMENT.** This Subscription Agreement constitutes the entire agreement between the parties and may be amended only by written agreement between all parties.

(c) **BINDING ARBITRATION.** Any dispute under this Subscription Agreement will be resolved under the then prevailing rules of the American Arbitration Association in the county of the LLC's principal place of business.

(d) **TERMINATION OF AGREEMENT.** If this subscription is rejected by the LLC, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party and the LLC shall promptly return the funds delivered with this Subscription Agreement without interest.

(e) **TAXES.** The discussion of the federal income tax considerations arising from investment in the LLC, as set forth in the Offering Letter, is general in nature and the federal income tax considerations to Investor of investment in the LLC will depend on individual circumstances. The Offering Letter does not discuss state income tax considerations, which may apply to all or substantially all Purchasers. There can be no assurance the Internal Revenue Code or the Regulations under the Code will not be amended in a manner adverse to the interests of Investor or the LLC.

(f) **DULY AUTHORIZED.** If Investor is a corporation, partnership, trust, or other entity, the individuals signing in its name are duly authorized to execute and deliver this Subscription Agreement

on behalf of such entity, and the purchase of the Membership Interests by such entity will not violate any law or agreement by which it is bound.

(g) **SUCCESSORS.** The representations, warranties and agreements contained in this Subscription Agreement shall be binding on Investor's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the LLC and its directors and officers. If Investor is more than one person, the obligations of all of them shall be joint and several, and the representations and warranties contained herein shall be deemed to be made by and to be binding upon each such person and his, her, or its, executors, administrators, successors, and assigns.

(h) **INDEMNIFICATION.** Investor shall indemnify and defend the LLC and the Manager from and against any and all liability, damage, cost, or expense (including attorneys' fees) arising out of or in connection with: (i) any inaccuracy in, or breach of, any of Investor's declarations, representations, warranties or covenants set forth in this document or any other document or writing delivered to the LLC; (ii) any disposition by Investor of any Membership Interests in violation of this Subscription Agreement, the Operating Agreement or applicable law; or (iii) any action, suit, proceeding or arbitration alleging any of the foregoing.

[Signature Page to Subscription Agreement follows]

[Signature Page to Subscription Agreement]

THE SALE OF LIMITED LIABILITY COMPANY INTERESTS COVERED BY THIS OFFERING CIRCULAR HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS SET FORTH IN SECTION 3(a)(11) OF THE ACT AND RULE 147 THEREUNDER RELATING TO INTRASTATE OFFERINGS. ACCORDINGLY, THESE MEMBERSHIP INTERESTS ARE BEING OFFERED SOLELY TO CERTAIN SELECTED RESIDENTS OF THE STATE OF CALIFORNIA AND EB-5 REGIONAL CENTER IMMIGRANT INVESTOR, AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON. FURTHERMORE, FOR A PERIOD OF FIVE (5) YEARS FROM THE COMPLETION OF THIS OFFERING, NO MEMBERSHIP INTERESTS MAY BE SOLD OR OTHERWISE TRANSFERRED EXCEPT TO RESIDENTS OF THE STATE OF CALIFORNIA.

BY EXECUTING THIS SUBSCRIPTION AGREEMENT, INVESTOR HEREBY AGREES, UPON SUBMISSION AS A MEMBER INTO THE LLC'S SONOMA VINEYARDS FUND, TO BE LEGALLY BOUND BY THE TERMS OF THE OPERATING AGREEMENT AND OFFERING LETTER. FOR GOOD AND VALID CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Purchaser, intending to be legally bound, has executed this Subscription Agreement as of _____, 20____.

INVESTOR:

Name of Investor

Investor Signature

ACCEPTANCE: (NOT VALID UNTIL ACCEPTED BY MANAGER)

ACCEPTANCE

The Manager of the LLC has accepted this Subscription Agreement as of _____,
20__.

NATURAL ECONOMETRIC INCORPORATED
a California corporation, Manager

By: _____
Name: Christina C. Lau
Title: Chief Executive Manager

(b)(4)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), is made and entered into as of _____, _____, by and among California Wineries & Vineyards LLC, a California limited liability corporation (the “LLC”), _____, a national of _____, (“Investor”), and _____ as Escrow Agent hereunder (“Escrow Agent”).

Background

The LLC and Investor have agreed to enter into a Subscription Agreement sheet (the “Subscription Agreement”) for the purchase of a unit of Member Interest in the amount of _____ of the LLC’s Sonoma Vineyards Fund (the “Fund”). Pursuant to the Subscription Agreement, Investor is required to deliver _____ to Escrow Agent at the time Investor executes the Subscription Agreement. In addition, the Investor will deliver an administration fee of _____ (“Administration Fee”) into the escrow account to cover all expenses related to the escrow account, initial operation of the Fund, any marketing, legal and accounting (excluding immigration fees) fees. The LLC and Investor believe the transactions contemplated by the Securities Purchase Agreement will qualify Investor to file an Immigration Petition by an Alien Entrepreneur on Form I-526 pursuant to 8 CFR 204.6 (the “Petition”). The Subscription Agreement will be executed when the Petition has been prepared but prior to its filing with the U.S. Citizenship and Immigration Service (“USCIS”). The Escrow Agent shall accept, hold, and disburse the Escrow Funds deposited with Escrow Agent in accordance with the terms of this Escrow Agreement.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Definitions.

The following terms shall have the following meanings when used herein:

“Cash Investment” means _____

“Cash Investment Instrument” means a wire transfer originated by Investor and credited to the “California Wineries & Vineyards – Sonoma Vineyards Fund & [Name of Investor] Escrow Account” in full payment of the one unit of subscription member interest to be purchased by Investor.

“Escrow Funds” means the Cash Investments deposited with the Escrow Agent pursuant to this Escrow Agreement.

“Administration Fee” means _____ to cover all escrow account expenses, initial operation of the Fund, any marketing, legal and accounting (excluding immigration fees) fees.

Section 2. Appointment of and Acceptance by Escrow Agent.

The LLC and Investor hereby appoint Escrow Agent to serve as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment in accordance with the terms of this Escrow Agreement. The LLC agrees that prior to commencement of the offering to Investor, the LLC shall request in writing

(b)(4)

that Escrow Agent shall establish the "California Wineries & Vineyards – Sonoma Vineyards Fund & [Name of Investor] Escrow Account," as more particularly described in Section 3(a) hereto (the "Escrow Account") into which the Cash Investment Instruments from Investor shall be deposited. Escrow Agent agrees to establish the Escrow Account promptly after such request and after the Escrow Agent shall have received all information reasonably requested from the LLC and Investor.

Section 3. Deposits into Escrow.

(a) All Cash Investment Instruments from Purchaser/Investor shall be deposited into the Escrow Account described below:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – Sonoma
Vineyards Fund & [name of investor] Escrow
Account

ALL ESCROW FUNDS DEPOSITED IN THE ESCROW ACCOUNT SHALL REMAIN THE PROPERTY OF THE INVESTOR AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR OTHER CREDITORS' CLAIMS AGAINST THE COMPANY UNTIL RELEASED TO THE COMPANY IN ACCORDANCE WITH SECTION 5 HEREOF.

(b) Investor will deliver Cash Investment Instruments to the Escrow Agent as follows:

(b)(4)

(i) [redacted] promptly after execution and delivery of this Agreement by the Escrow Agent, the LLC, and Investor; and

(ii) [redacted] (b)(4) promptly after the Petition is completed but before filing with the US Citizenship & Immigration Service and the Subscription Agreement has been executed and delivered by Investor and the LLC.

(c) The LLC and Investor acknowledge and agree that all Cash Investment Instruments are subject to collection requirements of presentment and final payment. Escrow Funds in the Escrow Account cannot be drawn upon or disbursed until such time as final payment has been made, Escrow Agent is in possession of collected funds, and all of the Cash Investment Instruments are no longer subject to dishonor. Upon receipt, Escrow Agent shall process each Cash Investment Instrument for collection, and the proceeds thereof shall be held as part of the Escrow Funds until disbursed in accordance with Section 5 hereof. If, upon presentment for payment, any Cash Investment Instrument is dishonored, Escrow Agent's sole obligation shall be to notify the LLC of such dishonor and to return such Cash Investment Instrument to Purchaser/Investor. Notwithstanding the foregoing, if for any reason any Cash Investment Instrument is uncollectible after payment of the Escrow Funds represented thereby has been made by Escrow Agent in accordance with this Escrow Agreement, the LLC shall immediately reimburse Escrow Agent upon receipt from Escrow Agent of written notice thereof.

Section 4. Other Information to be furnished to Escrow Agent.

The LLC shall, on the date hereof, provide to Escrow Agent the name, taxpayer identification number, address, and such other information as may be required for withholding and reporting purposes such as either U.S. Treasury Department Form W-9 or another applicable form, e.g., W-8 for the Investor. The Escrow Agent shall have no duty to prepare or file any federal, state, or other tax returns or reports with respect to the Escrow Funds.

Section 5. Disbursements of Escrow Funds.

(b)(4)

(a) **Before Petition.** Subject to the provision of Section 13 hereof, Escrow Agent shall disburse [redacted] of the Escrow funds to the LLC promptly after Escrow Agent has received a release notice in the form of *Exhibit A* (the “**Preliminary Release Notice for Fees**”), jointly signed by the Company and the Investor. The Preliminary Release Notice for Fees shall not be delivered to Escrow Agent until the I-526 Petition has been prepared and reviewed by the Investor. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the LLC in the Preliminary Release Notice for Fees. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete

(b)(4)

(b) **Approval of Petition.** Subject to the provisions of Section 13 hereof, Escrow Agent shall disburse [redacted] of the Escrow Funds to the LLC promptly after Escrow Agent has received a release notice in the form of *Exhibit B* (the “**Initial Release Notice**”), jointly signed by the Company and the Purchaser. The Initial Release Notice shall not be delivered to Escrow Agent until the Petition has been approved by the USCIS. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the Company in the Initial Release Notice. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete.

(c) **Consulate/Embassy Approval.** Subject to the provisions of Section 13 hereof, Escrow Agent shall promptly disburse the amount of the Escrow Funds as specified and directed in a Release Notice in the form of *Exhibit C* (the “**Second Release Notice**”). The Second Release Notice shall not be delivered until Investor receives confirmation of a determination by a U.S. Embassy or Consulate office on Investor’s approval of immigrant visa application on the conditional resident status. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete.

(b) **Termination by the LLC.** No later than ten (10) business days after receipt by Escrow Agent of written notice from the LLC stating that the LLC has terminated the Subscription Agreement, Escrow Agent shall deliver the Escrow Funds then held by Escrow Agent to Investor, by wire transfer or bank check sent by express delivery service.

(c) **Failure to receive any Release Notice.** Notwithstanding anything to the contrary contained herein, if Escrow Agent shall not have received the Initial Release Notice within 45 days from the USCIS approval on the I-526 petition, Escrow Agent shall, within ten (10) business days after such date and without any further instruction or direction from the LLC, return to Investor all (b)(4) but [REDACTED] of the Escrow Funds then held by Escrow Agent and deliver [REDACTED] to the LLC, both disbursements by wire transfer or bank check sent by express delivery service. (b)(4)

Section 6. Provisions for Benefit of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; *provided however*, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall not be required to take notice of or be bound in any way by any agreement or contract between the LLC and Investor, including but not limited to the Subscription Agreement, whether or not Escrow Agent has knowledge of any such agreement or contract.

(b) The LLC and Investor each warrant to and agree with Escrow Agent that there is no security interest in the Escrow Funds or any part of the Escrow Account; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Escrow Funds or any part of the Escrow Funds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Funds or any part of the Escrow Funds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Escrow Funds or any part thereof.

Section 7. Suspension of Performance or Disbursement Into Court.

(a) As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other person(s) resulting in adverse claims or demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Escrow Funds or any part of such Escrow Funds. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties. Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Escrow Funds or any part thereof or to otherwise act hereunder, as stated above, unless and until: (i) the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having

jurisdiction over the parties and the Escrow Funds, and Escrow Agent shall have received written notice thereof *or* (ii) the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent pursuant to Section 12 hereof against any liability, claims, or damages resulting from compliance by Escrow Agent with such agreement.

(b) In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Escrow Account and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its counsel. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Escrow Agreement; *provided however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties hereunder.

(c) Escrow Agent shall have no liability to the LLC, Investor, or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of Escrow Funds held in the Escrow Account or any delay in or with respect to any other action required or requested of Escrow Agent.

(d) The parties hereto agree that, in the event any controversy arises under or in connection with this Escrow Agreement or the Escrow Funds, or Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Escrow Funds, they will pay to Escrow Agent reasonable compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation.

(e) Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or its enforcement, or to appear in, prosecute, or defend any action or legal proceeding which would or might involve it in any cost, expense, loss, or liability unless security and indemnity, as provided in Section 12 hereof shall be furnished.

Section 8. Investment of Escrow Funds.

Escrow Agent shall not invest or reinvest the Escrow Funds. The parties to this Escrow Agreement acknowledge that no interest shall accrue or be paid with respect to the Escrow Funds.

Section 9. Removal of Escrow Agent.

Escrow Agent may be removed, with or without cause, by the LLC and Investor, acting jointly, in writing, at any time by the giving of thirty (30) days prior written notice to Escrow Agent. Such removal shall take effect upon the appointment of a successor escrow agent as provided herein below. Upon any such notice of removal, the LLC shall appoint a successor escrow agent hereunder, which shall be a commercial bank, trust company, or other financial institution with a combined capital and surplus in excess of [REDACTED]. Upon the acceptance in writing of any appointment as Escrow Agent hereunder by a successor escrow agent, such successor escrow agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, and duties of the removed Escrow Agent, and the removed Escrow Agent shall be discharged from its duties and obligations under this Escrow Agreement. After any removal of

Escrow Agent, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

Section 10. Resignation of Escrow Agent.

Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 20 days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all Escrow Funds then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder. After Escrow Agent's resignation the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was escrow agent under this Escrow Agreement.

Section 11. Liability of Escrow Agent.

(a) Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(b) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct.

(c) In no event shall Escrow Agent be liable for incidental, indirect, special, consequential, or punitive damages. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds or the Escrow Account in which Escrow Funds are deposited or this Escrow Agreement, or to appear in, prosecute, or defend any such legal action or proceeding. Without limiting the generality of the foregoing, Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the Subscription Agreement with any other agreement between the LLC and Investor. Escrow Agent shall not be responsible or liable in any manner for the performance by the LLC or Investor of their respective obligations under the Subscription Agreement nor shall Escrow Agent be responsible or liable in any manner for the failure of the LLC or Investor to honor any of the provisions of this Escrow Agreement. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, and shall incur no liability and shall be fully indemnified pursuant to Section 12 hereof from any liability whatsoever in acting in accordance with the advice of such counsel. The LLC shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.

(d) Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer,

conveyance, or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment, or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment, or decree may be subsequently reversed, modified, annulled, set aside, or vacated.

Section 12. Indemnification of Escrow Agent.

The LLC and Investor jointly and severally agree to indemnify Escrow Agent and each of its officers, directors, employees, and agents and save Escrow Agent and its officers, directors, employees, and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees, or agents, directly or indirectly, as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees, or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof the term "**Claims**" shall mean all claims, lawsuits, causes of action, or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action, or impleader) Escrow Agent or any such officer, director, employee, or agent, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action, or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to, or be based upon, in whole or in part: (a) the acts or omissions of the LLC or Investor, (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term "**Losses**" shall mean losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorneys', accountants', and other professionals' fees, litigation, and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of, or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee, or agent (each referred to hereinafter as an "**Indemnified Party**"), the LLC and Investor jointly and severally agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the LLC and Investor jointly and severally agree to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to either the LLC or Investor. The LLC and Investor hereby agree that the indemnifications and protections afforded Escrow Agent in this section shall survive the termination of the Escrow Agreement or the resignation, removal, or effective resignation of Escrow Agent pursuant to Section 7(b) hereof.

Section 13. Compensation to Escrow Agent.

The LLC agrees to pay Escrow Agent for its ordinary services hereunder, the fees determined in accordance with and payable as specified in the Schedule of Fees set forth in *Exhibit D* attached hereto and made a part hereof. In addition, the LLC agrees to pay to Escrow Agent its expenses incurred in connection with this Escrow Agreement including, but not limited to, the reasonable cost of legal services in the event Escrow Agent reasonably deems it necessary to retain counsel. Such expenses shall be paid to Escrow Agent within 10 days following receipt by the parties hereto of a written statement setting forth

such expenses. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities, and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement and to secure the obligation of the parties hereto to indemnify Escrow Agent as set forth in Section 12 hereof, Escrow Agent is hereby granted a security interest in and a lien upon the Escrow Funds, which security interest and lien shall be prior to all other security interests, liens, or claims against the Escrow Funds or any part thereof.

Section 14. Representations and Warranties.

(a) The LLC makes the following representations and warranties to Escrow Agent:

(i) The LLC is a limited liability corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) This Escrow Agreement has been duly approved by all necessary corporate action of the LLC, including any necessary approval, has been executed by duly authorized officers of the LLC, and constitutes a valid and binding agreement of the LLC, enforceable in accordance with its terms; *provided however*, that enforceability is subject to: (a) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, and similar federal and state laws affecting the rights and remedies of creditors generally, and (b) general principles of equity limiting the availability of equitable remedies (including but not limited to the remedy of specific performance), whether considered in a proceeding at law or in equity.

(iii) The execution, delivery, and performance by the LLC of this Escrow Agreement will not violate, conflict with, or cause a default under, the certificate of organization or operating agreement of the LLC, any applicable law or regulation, any court order or administrative ruling or decree to which the LLC is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement to which the LLC is a party or any of its property is subject.

(iv) No party other than the parties hereto and the Investor has, or shall have, any lien or claim against, or security interest in, the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

(v) The LLC hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(vi) All of the representations and warranties of the LLC contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

(c) Investor makes the following representations and warranties to Escrow Agent:

(i) Investor has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by Investor of this Escrow Agreement will not violate, conflict with, or cause a default under any other agreement to which it is a party.

(iii) Investor hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(iv) All of the representations and warranties of Investor contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

Section 15. Consent to Jurisdiction and Venue.

In the event that the LLC, Investor, or Escrow Agent hereto commence a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree that the United States District Court for the Northern District of California shall have the sole and exclusive jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties agree that the Superior Court of San Mateo County, California shall have sole and exclusive jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts. It is the intention of the parties to this Escrow Agreement that the *situs* of the Escrow Account created by this Escrow Agreement be, and that it be administered in the state in which the principal office of the Escrow Agent is located from time to time acting hereunder.

Section 16. Notice.

All notices and other communications hereunder shall be in writing and shall be deemed to have been validly served, given, or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities (with machine generated receipt confirmation), and addressed to the party to be notified as follows:

If to the LLC at:

California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
177 Bovet Road, Suite 600
San Mateo, CA 94402
Attn: Christina C. Lau
Telephone: (650) 364-3108
Facsimile: (650) 369-8522
Tax ID # _____

If to the Escrow Agent at:

Name of Bank
Address
Attn:
Telephone:
Facsimile:

If to Investor at:

The address set forth on the Investor signature page hereto or to such other address as each party may designate for itself by written notice.

Section 17. Amendment Waiver, etc.

This Escrow Agreement may be changed, waived, discharged, or terminated only by a writing signed by the LLC, Investor, and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. No waiver, modification, amendment, termination, or rescission of this Escrow Agreement shall be effective or binding upon Escrow Agent unless Escrow Agent shall have specifically consented thereto in writing.

Section 18. Severability.

To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

Section 19. Governing Law.

This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of California without giving effect to the principles or rules governing conflict of laws.

Section 20. Entire Agreement.

This Escrow Agreement constitutes the entire agreement among the parties relating to the acceptance, collection, holding, and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of the Escrow Agent with respect to the Escrow Funds.

Section 21. Binding Effect.

All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the LLC, Investor, and Escrow Agent. Neither this Escrow Agreement nor any interest herein may be assigned without the written consent of each of the parties hereto.

Section 22. Execution in Counterparts.

This Escrow Agreement may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement.

Section 23. Termination.

Upon the first to occur of the disbursement of all amounts in the Escrow Account or deposit of all amounts in the Escrow Account into court pursuant to Section 7 hereof, this Escrow Agreement shall terminate and Escrow Agent shall have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

[Remainder of page intentionally left blank; signatures on following pages]

**LLC SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the LLC hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

THE LLC:

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

**ESCROW AGENT SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Escrow Agent hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

ESCROW AGENT:

Name,
as Escrow Agent

By: _____
Name, Position

[Purchaser Signature Pages Attached]

**INVESTOR SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Investor hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

INVESTOR

Name

Investor Name ("Investor") Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/> <hr/>
Investor's Legal Counsel Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/>

**EXHIBIT A
TO
ESCROW AGREEMENT**

From of Preliminary Release Notice for Fees

Attached

PRELIMINARY RELEASE NOTICE FOR FEES

This Preliminary Release Notice for Fees is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated _____, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), Name of Investor, a resident of _____, national of _____ ("Investor"), and _____ as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably directed to disburse (b)(4) of the Escrow Fund to California Wineries & Vineyards LLC – Sonoma Vineyards Fund as directed below.

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re:

California Wineries & Vineyards – Sonoma
Vineyards Fund & [Name of Investor] Escrow
Account

(b)(4)

3. All conditions precedent to disbursement of (b)(4) of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized and directed to release and disburse the Escrow Funds as described in this Preliminary Release Notice for Fees.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Initial Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

Name, Investor

**EXHIBIT B
TO
ESCROW AGREEMENT**

From of Initial Release Notice

Attached

INITIAL RELEASE NOTICE

This Initial Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated _____, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), _____, a resident of _____, national of _____ ("Investor"), and _____ as Escrow Agent hereunder ("Escrow Agent").

- (b)(4)
1. Escrow Agent is hereby irrevocably directed to disburse [redacted] of the Escrow Fund to California Wineries & Vineyards LLC – Sonoma Vineyards Fund as directed below.
 2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re:

California Wineries & Vineyards – Sonoma
Vineyards Fund & [Name of Investor] Escrow
Account

- (b)(4)
3. All conditions precedent to disbursement of [redacted] of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized and directed to release and disburse the Escrow Funds as described in this Initial Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Initial Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

_____, Investor

**EXHIBIT C
TO
ESCROW AGREEMENT**

From of Second Release Notice

Attached

SECOND RELEASE NOTICE

This Second Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated September __, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), _____, a resident of _____, national of _____ ("Investor"), and _____ as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably authorized and directed to:

Choose 1 of the options below:

<input type="checkbox"/>	Disburse the balance of the Escrow Fund to California Wineries & Vineyards LLC – Sonoma Vineyards Fund as directed below. <i>This option is chosen if Investor's immigrant visa application has been approved as a conditional resident by a U. S. Embassy or Consulate office</i>
<input type="checkbox"/>	Pursuant to the wire transfer instructions in the Initial Release Notice. Disburse the balance of the Escrow Fund to _____ as directed below. <i>This option is chosen if Investor has not been approved EB-5 I-526 petition by the USCIS or as immigrant visa application by a U. S. Embassy or Consulate office</i>

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re:

California Wineries & Vineyards – Sonoma
Vineyards Fund & [Name of Investor] Escrow
Account

3. All conditions precedent to disbursement of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized to release and disburse the Escrow Funds as described in this Second Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Second Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

Name, Investor

**EXHIBIT D
TO
ESCROW AGREEMENT**

Schedule of Fees of Escrow Agent

Escrow Fee: [\$_____]

Wire Transfer Fee: [\$_____] per wire

(b)(4)

(b)(4)

(b)(4)

Investor Commitment Letter

By signing this document you indicate that you have a full understanding of the investment being communicated to you through this investment document, verbal communications or other forms of communications. Apart from the data that has been presented or communicated to you from our investment team you should seek additional investment advice if you fill this investment opportunity is beyond your ability to evaluate. California Wineries & Vineyards LLC reserves the right to pay off any investment early on a prorated base at will with out penalty.

I would like to invest the following amount:

Investment amount: \$ _____

Investment terms: 5 Years

Investor Name: _____

Address: _____

City/State: _____

Telephone Number: _____

E-mail address: _____

Investor signature: _____

CWV Representative: _____

Because we are investing in agricultural projects, your investment dollars are at risk of being lost in the market place. All business activity involves risk – wineries and vineyards are of no exception. The farming risks relating to wine grape production include but are not limited to: weather, availability of plants, water, pollinators, and other inputs, pests and diseases which may damage the plants and fruit, changes in farming, farm labor, and environmental regulations, labor disputes, etc. The environmental risks relating to wine grape production in California include but are not limited to: wildfire, windstorms, drought, flood, earthquake, disease, and insect infestation. These events could lower production and revenues and possibly lower the investor's return.

RISK FACTORS

INVESTMENT IN THE FUND INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE REGARDED AS SPECULATIVE. PURCHASE OF MEMBER UNITS SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN REASONABLY AFFORD A LOSS OF THEIR ENTIRE INVESTMENT.

(b)(4)

(b)(4)

(b)(4)

(b)(4)



U.S. Citizenship
and Immigration
Services

HQSCOPS 70/6.1.8

FILE COPY

JAN 08 2009

Christina Lau
President
Natural Econometric Inc.
177 Bovet Rd, Ste. 600
San Mateo, CA 94402

Application: Request for Designation as a Regional Center
Applicants: Christina Lau
Proposed Enterprise: California Wineries & Vineyards, LLC Regional Center (CWVRC)

RE: Designation as a Regional Center under the Immigrant Investor Pilot Program.

BACKGROUND:

Pursuant to Section 610 of the Appropriations Act of 1993, on June 11, 2008, Natural Econometric Inc. submitted a proposal for the designation of California Wineries & Vineyards, LLC Regional Center (CWVRC) which focuses within the entire county of Napa CA. CWVRC will pursue a portfolio of commercial investment that will result in direct and indirect job creation. The projects will involve the purchase of vineyards/farmland and wineries as well as investing in existing wineries as troubled businesses.

The Napa Vineyards Fund will seek 98 investors with each investing \$500,000 to create a \$49 million investment fund that will invest into vineyards (farmland) and or troubled wineries located in Napa County.

The initial proposal combined with a response to a request for evidence (RFE) contained the following evidence in support of its requested designation:

- An Economic Impact Analysis and job creation prediction using RIMS II,
- A Business Plan,
- An Operating Agreement,
- An Escrow Agreement,
- An Offering Letter,
- A Subscription Agreement, and
- A Marketing Plan.

DECISION:

Based on its review and analysis of the June 11, 2008, submission and subsequent RFE response including business plan and job creation analysis and multipliers reflecting the development of various sample projects, USCIS hereby approves the requested designation of CWVRC as a Regional Center under the Immigrant Investor Pilot Program.

FOCUS OF INVESTMENT ACTIVITY AND CAPITAL INVESTMENT THRESHOLD:

The USCIS-approved focus of the CWVRC business plan and job creation analysis and multipliers is to generate immigrant investor capital into the Napa Vineyards Fund seeking 98 investors with each investing \$500,000 to create a \$49 million investment fund that will invest into vineyards (farmland) and or troubled wineries in Napa County, CA. Any future expansion in scope or geographic area will require an amendment proposal.

As such, aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the CWVRC area comprised of the county of Napa, CA. The geographic focus of this area contains certain Rural Areas as defined in 8 CFR 204.6(e) that qualify as Targeted Employment Areas (TEAs). Therefore, the minimum capital investment threshold for any individual immigrant investment into the commercial enterprise throughout CWVRC shall be not less than \$500,000 if within a TEA or \$1,000,000 if outside a TEA.

EMPLOYMENT CREATION:

Alien entrepreneurs who file petitions for commercial enterprises located in the CWVRC area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the alien entrepreneur's investment. This determination has been established by way of USCIS' acceptance of the final economic analysis that is contained as part of the approved CWVRC proposal and its indirect job creation model and multipliers contained within the final approved CWVRC application package.

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs" in support of an immigrant investor's individual I-526 petition affiliated with the CWVRC, then:

- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, the petition must be supported by a comprehensive detailed business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Each individual petition, in order to demonstrate that it is associated with the CWVRC, in conjunction with addressing all the requirements for an individual alien entrepreneur petition, shall also contain as supporting evidence relating to this amended regional center designation, the following:

1. A copy of this letter for the CWVRC approval and designation.
2. A copy of the approved regional center narrative proposal and business plan.
3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the regional center economic analysis which has been approved by USCIS, which reflects that investment by an individual alien investor of at least \$500,000 or \$1,000,000 into an approved project category will create full-time employment positions, either directly or indirectly, for not fewer than ten qualified employees per alien investor within the two years of conditional residence.
4. Evidence of complete investment of funds.
5. Evidence of lawful source of funds.
6. A legally executed copy of:
 - a. the Offering Letter,
 - b. the Escrow Agreement,
 - c. the Subscription Agreement.

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE CALIFORNIA WINERIES & VINYARDS REGIONAL CENTER (CWVRC):

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved regional center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting

economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your regional center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated regional center, your administration, oversight, and management of your regional center shall be such as to monitor all investment activities under the sponsorship of your regional center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year¹, commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the regional center responsible for the normal operation, management and administration of the regional center.
2. Be prepared to explain how you are administering the regional center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.
3. Be prepared to explain the following:
 - a. How the regional center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.
 - b. How the regional center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the regional center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the regional center.
4. Be prepared to provide:
 - a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:
 - i. the petition was filed,
 - ii. is pending,
 - iii. was approved,
 - iv. denied, or
 - v. withdrawn by the petitioner, together with the date(s) of such event.

¹ A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

- b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.
 - c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - e. For each alien investor listed in item 4.a., above, identify the following:
 - i. the date(s) of investment in the commercial enterprise;
 - ii. the amount(s) of investment in the commercial enterprise; and
 - iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or regional center from when the investment was initiated to the present.
5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your regional center that have:
 - a. received alien investors' capital, and in what aggregate amounts;
 - b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;
 - c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:
 - i. The name and address of each "direct" job creating commercial enterprise.
 - ii. The industry category for each indirect job creating investment activity.
6. Be prepared to provide:
 - a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your regional center.
 - b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your regional center.
7. The total aggregate sum of EB-5 alien capital invested through your regional center for

- each Federal Fiscal Year to date since your approval and designation.
8. The combined total aggregate of “new” direct and/or indirect jobs created by EB-5 investors through your regional center for each Federal Fiscal Year to date since your approval and designation.
 9. If applicable, the total aggregate of “preserved” or saved jobs by EB-5 alien investors into troubled businesses through your regional center for each Federal Fiscal Year to date since your approval and designation.
 10. If for any given Federal Fiscal Year your regional center did or does not have investors to report, then provide:
 - a. a detailed written explanation for the inactivity,
 - b. a specific plan which specifies the budget, timelines, milestones and critical steps to:
 - i. actively promote your regional center program,
 - ii. identify and recruit legitimate and viable alien investors, and
 - iii. implemented strategy to invest into job creating enterprises and/or investment activities within the regional center.
 11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your regional center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your regional center’s hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.
 12. Finally, please be aware that it is incumbent on each USCIS approved and designated regional center, in order to remain in good standing, to notify the USCIS Immigrant Investor Program within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:
 - the name and contact information of the responsible official and/or Point of Contact (POC) for the RC,
 - the management and administration of the RC,
 - the RC structure,
 - the RC mailing address, website address, email address, phone and fax number,
 - the scope of the RC operations and focus,
 - the RC business plan,
 - any new, reduced or expanded delegation of authority, MOU, agreement, contract, etc.

with another party to represent or act on behalf of the RC.

- the economic focus of the RC, or
- any material change relating to your regional center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the CWVRC approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS Immigrant Investor Program by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barbara Q. Velarde', with a long horizontal flourish extending to the right.

Barbara Q. Velarde
Chief
Service Center Operations

cc: Official File



U.S. Citizenship
and Immigration
Services

HQSCOPS 70/6.1.2-C

RECEIVED

SEP 18 2008

Christina Lau
President

DEC 05 2008

Natural Econometric Inc.
177 Bovet Rd, Ste. 600
San Mateo, CA 94402

SERVICE CENTER OPERATIONS

Application: Request for ~~Designation~~/Amendment of/Re-certification as a Regional Center
Applicants: Christina Lau
Proposed Enterprise: California Wineries & Vineyards, LLC Regional Center

RE: Proposal for Designation as a Regional Center under the Immigrant Investor Pilot Program.

REQUEST FOR ADDITIONAL EVIDENCE

This office is unable to complete processing of your request without further information. **Please read and comply with those items requested below, then resubmit the evidence requested to the address listed below, including this letter, within 87 days.**

If your submission is more than several pages, please use acco-fasteners to attach the documents at the top of each page.

USCIS Foreign Trader, Investor & Regional Center Program
Office of Service Center Operations, Business & Trade Services
20 Massachusetts Avenue, NW (**Room 2123**)
Washington, DC 20529

What is the Immigrant Investor Pilot Program?

The Immigrant Investor Pilot Program ("Pilot Program") was created by Section 610 of Public Law 102-395 (October 6, 1992). This is different in certain ways from the basic EB-5 investor program.

The Pilot Program began in accordance with a Congressional mandate aimed at stimulating economic activity and creating jobs for U.S. workers, while simultaneously affording eligible aliens the opportunity to become lawful permanent residents. Through this innovative program, foreign investors are encouraged to invest funds in an economic unit known as a "Regional Center."

A Regional Center is defined as any economic unit, public or private, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment.

Initial evidence requirements.

1. 8 CFR 204.6 (m) states in pertinent part:

(3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the...[Chief, Office of Service Center Operations]..., which:

(i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

(ii) Provides in verifiable detail how jobs will be created indirectly;

(iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;

(iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and

(v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported [if any], and/or multiplier tables.

2. It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

In reference to 8 CFR 204.6(m)(3)(i) as stated above the geographical area must be contiguous and clearly delineated. It is most helpful to provide the following series of maps, charts or written descriptions:

- The entire desired Regional Center Area
- Standard Metropolitan Statistical Areas (SMSA's)
- Rural Areas (areas outside SMSA's with populations under 20,000 people)
- High Unemployment Targeted Employment Areas (TEA's) as determined by the Governor or designee, (1.) areas within SMSA's or 2.) population centers of

20,000 or more outside SMSA's; with unemployment rates 150% or more of the national rate)

- Census Tracts, Cities, Towns, Counties, etc.
- Unemployment Rates by Cities, Towns, Counties or Census Tracts, etc.

It appears that the requested area for the regional center may encompass two or more non-contiguous areas. Please provide a map clearly delineating a single contiguous area as the regional center area. Also, please provide a map depicting any standard metropolitan statistical areas, if any, within the desired area. Lastly, you have supplied information as to the areas that have been declared high unemployment areas by EDD, however, EDD was replaced by the governor by the Secretary of Business, Transportation and Housing (BTH) in April 2008. Please resubmit your request to BTH for confirmation of the information provided. See also, item 11, below, as a reference.

3. In reference to 8 CFR 204.6(m)(3)(ii) as stated above for a Regional Center it is imperative to fully explain indirect job creation, as well as the direct and induced jobs, if any. The requirement of creating at least 10 new full-time (35 hours per week) jobs per each individual alien investor may be satisfied by showing that, as a result of the investment and the activities of the new enterprise, at least 10 jobs per alien investor will be created directly or indirectly through an employment creation multiplier effect. Submit an Economic Analysis and model that shows and describes job creation for each category of economic activity (for example, manufacturing, food production/processing, warehousing, tourism and hospitality, transportation, power generation, agriculture, etc.) Aspects of this element of the proposal may be combined with items 7 and 8, below in a single economic analysis and job creation model.

Under the provisions of the INA which apply to the Immigrant Investor Pilot Program and specific amendments to the statute, especially in the 2002 amendment Per Public Law 107-273, enacted November 2, 2002, which clearly states:

"A regional center shall have jurisdiction over a limited geographic area, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments, and the other positive economic effects such capital investments will have."

When relying on econometric models for indirect job creation¹ it is imperative that "direct jobs" will be real identifiable jobs supported by wage reports or I-9 forms otherwise they must be explicitly identified as hypothetical in nature. Another method would be to predict jobs based on

¹ USCIS does not accept "construction jobs" in these permanent job creation forecasts as they are transient in nature and disappear when the construction is complete or are seasonal at best. However, support positions associated with construction jobs such as home supply product sales, routine maintenance and repair, and manufacturing of building materials can be included as indirect jobs in the calculations.

dollar amount invested in the overall project, this too must be made clear. This distinction will be critical at the I-829 removal of condition stage of the immigration process.

The current proposal does not contain any economic analysis or job creation predictions. Please provide them in response to this request for evidence. See also items 7 and 8, below.

4. In reference to 8 C.F.R. § 204.6(m)(3)(iii), a proposal must include a detailed statement regarding the amount and source of the capital that has been committed to the Regional Center, in addition to the description of the promotional efforts taken and planned by the Regional Center's sponsors. USCIS has interpreted the words, "amount and source of capital that has been committed to the Regional Center" to mean the capital sufficient to sustain the Regional Center distinct from immigrant investors' required capital investment in a new commercial enterprise within the Regional Center.

The detailed statement that is required to meet the regulatory requirement relating to the amount and source of capital committed to the Regional Center should include: 1.) the exact amount of funds that have been dedicated to the Regional Center to accomplish the goals of the Pilot Program; 2.) the source of such funds; 3.) whether the amount is sufficient to sustain the Regional Center; and 4.) evidence that the funds have already been committed to the Regional Center. None of the capital sustaining the Regional Center can come from immigrant investors' required threshold capital investment (as distinct from the new commercial enterprises' revenues). This separation of funds is necessary to enable the alien entrepreneur to qualify for the EB-5 immigrant investor classification.

The current proposal does not contain any information on this topic. Please provide it in your response.

5. Also, under 8 CFR 204.6(m)(3)(iii) as stated above for any individual alien investor who will be solicited by a Regional Center to invest the requisite capital into a Regional Center commercial activity, it will be incumbent on the Regional Center to engage in a due diligence process to establish that all sources of capital can be fully explained and clearly shown to have been lawfully obtained.

Submit a plan of proposed Regional Center operation which addresses how investors will be recruited and how the Regional Center will conduct its due diligence to accommodate the requirement that all immigrant investor funds will be lawfully obtained and describe what measures will be taken by the Regional Center to ensure and validate this. Will the submission of certain financial documents be required of foreign investors or will the Regional Center, for example, utilize a professional investigating firm to vet a potential investor's source of funds? What are your plans in this regard?

6. Lastly under 8 CFR 204.6(m)(3)(iii), USCIS interprets the words "promotional efforts" to mean an advertising or marketing program planned by the sponsors of the Regional Center that is

designed to attract immigrant investors to the Regional Center. Regional Center proposals require a full description of the past, current and future promotional activities for the Regional Center. This shall include a description of the budget for this activity as well as a statement as to the source of those funds used to accomplish this necessary task.

The current proposal does not contain any information on this topic. Please provide it in your response.

7. In reference to 8 CFR 204.6 (m)(3)(iv) as stated above a detailed prediction must be provided which includes the topics of regional or national impact, household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the Regional Center. This can be combined with items 3, above, and 8, below.

The current proposal does not contain any information on this topic. Please provide it in your response.

The proposal should not makes vague references to regional economic impacts but should provide actual monetary predictions and address the elements listed in USCIS regulations. The economic model and analysis requested in item 3, above, and item 8, below, will also need to address these specific points as listed here.

8. In reference to 8 CFR 204.6 (m)(3)(v) as stated above submit a complete and valid economic analysis sufficiently detailed to predict the overall economic impact to be made by the Regional Center. This can be combined with items 3 and 7, above.

The current proposal does not contain any information on this topic. Please provide it in your response.

Again it is stressed that the economic analysis that can be combined with items 3 and 7, above, must be sufficiently detailed to predict the overall economic impact and localized impacts to be made by the Regional Center' investment activities and projects.

9. The business aspects of the Regional Center must be fully explained as to its structure. This aspect of a proposal includes, but is not limited to, the following basic elements or samples of them as applicable to the business approach and structure to be used by the Regional Center:

- An overall Business Plan-mandatory
- Draft Operating Agreement
- Draft Partnership Agreement
- Draft Subscription Agreement
- Draft Escrow Agreements and Instructions (one for capital and one for any service fees)
Such agreements usually include an "out clause" in the event of an unsuccessful visa process as a marketing tool but are not required.

- List of proposed reputable financial institutions to serve as the Escrow Agent(s)
- Draft of an Offering Letter, Memorandum, Confidential Private Placement Memorandum, or similar offering made in writing to an immigrant investor through the Regional Center.
- Draft Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center.

The current proposal does contain a stock purchase agreement and escrow agreement. Please provide a sample or draft of your offering instrument as well as any other items that are germane to your business structure.

10. The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether an approved and designated Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year², commencing with the initial year as follows:

Submit a description of the applicant's plans to administer, oversee, and manage the proposed Regional Center, including but not limited to such things as to identify, assess and evaluate proposed immigrant investor projects and enterprises; how the proposed Regional Center would perform "due diligence" as to whether investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how to monitor all investment activities affiliated, through or under the sponsorship of the proposed Regional Center, and to maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year. This is known as "due diligence" and is coupled with "oversight reporting responsibilities" to be fully explained if approved and designated.

11. With respect to the process by which a High Unemployment Area (USCIS TEA) is designated by the State. The exact and complete relevant language of the regulation that covers this may be found at 8 CFR 204.6(i), where it reads as follows:

² A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

State designation of a high unemployment area. The state government of any state of the United States may designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as an area of high unemployment (at least 150 percent of the national average rate). Evidence of such designation, including a description of the boundaries of the geographic or political subdivision and the method or methods by which the unemployment statistics were obtained, may be provided to a prospective alien entrepreneur for submission with Form I-526. Before any such designation is made, an official of the state must notify the... [Chief, Office of Service Center Operations]... of the agency, board, or other appropriate governmental body of the state which shall be delegated the authority to certify that the geographic or political subdivision is a high unemployment area.

Further clarification of the role of the state designated authority in the I-526 process is found at 8 CFR 204.6 (j) (6) (ii) (B) as follows:

(6) If applicable, to show that the new commercial enterprise has created or will create employment in a targeted employment area, the petition must be accompanied by:

.....

(ii) In the case of a high unemployment area:

.....

(B) A letter from an authorized body of the government of the state in which the new commercial enterprise is located which certifies that the geographic or political subdivision of the metropolitan statistical area or of the city or town with a population of 20,000 or more in which the enterprise is principally doing business has been designated a high unemployment area. The letter must meet the requirements of 8 CFR 204.6(i).

[Applicable sentence underlined above.]

It is hoped that the above references and information will be of help to you and the appropriate officials of the state with respect to your interest in seeking to establish a Regional Center through the Immigrant Investor Pilot Program that would focus within the state.

PLEASE NOTE: For your proposal submission and supporting evidence for items 1 through 11, above, as applicable, please use acco-fasteners to attach the documents at the top of each page or place in a three ring binder, and individually tab the written materials/responses which you submit for each of the applicable items listed above in items 1 through 11. Also, submit the information in duplicate.

Translations Any document containing a foreign language submitted to USCIS shall be accompanied by a full English translation that the translator has certified as complete and

accurate, and by the translator's certification that he or she is competent to translate from the foreign language into English.

Copies Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.

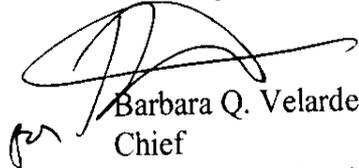
Address Changes.

If you change your address and you have a Regional Center proposal pending with USCIS, you may change your address by sending notification to:

**USCIS Chief of Service Center Operations
Attn: Program Manager, Foreign Trader, Investor and Regional Center Program.
20 Massachusetts Avenue, NW (RM. 2123)
Washington, DC 20529**

To make an inquiry or ask a question about the Regional Center Program you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov

Sincerely,



Barbara Q. Velarde
Chief
Office of Service Center Operations



Natural Econometric Incorporated

November 23, 2008

Ms. Barbara Velarde, Chief
USCIS Foreign Trader, Investor & Regional Center Program
Office of Service Center Operations, Business & Trade Services
20 Massachusetts Avenue, NW (Room 2123)
Washington DC 20529

Re: Response to Request for Additional Evidence on EB-5 Regional Center Request for
Applicant: California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated

Dear Chief Velarde:

In response to your request dated September 18, 2008, we hereby respond as follow:

California Wineries & Vineyards LLC will establish an investment fund to establish an EB-5 Regional Center focusing on a particular geographical region in California to promote economic growth through improved regional productivity, job creation and increased domestic capital investment:

- I. Napa Vineyards Fund seeks 98 investors with each investing \$500,000 to create a \$49 million dollar investment fund to establish a Regional Center in Napa County that will invest into vineyards (farmland) and/or troubled wineries located within the following rural area:

American Canyon (population: 15919 as of 2007)
Angwin (population: 3088 as of 2007)
Calistoga (population: 5214 as of 2007)
Deer Park (population: 1411 as of 2007)
Oakville (population: 3488 as of 2007)
Pope Valley (population: 836 as of 2007)
Rutherford (population: 9148 as of 2007)
St. Helena (population: 5960 as of 2007)
Yountville (population: 3311 as of 2007)

We hereby enclosed the following to establish the boundary of this Regional Center:

1. County Map listing the above mentioned cities and towns (Exhibit 1)



(b)(4)

Purpose of Napa Vineyards Fund

1. Buy 250 acres of planted vineyards (farmland) that are currently listing for sale within Napa county; and/or
2. Investing into existing trouble wineries and/or vineyards located within Napa county that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).

Commercial Activity Involved

Wine grape growing in Napa county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Napa Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Napa county:

1. Wine or table grape growing, harvesting and processing
2. Wine making, manufacturing and bottling
3. Wine warehousing & storage
4. Wholesale and retailer trade to both domestic and overseas buyers
5. Truck transportation

The Fund Brings Following Benefits to Napa County

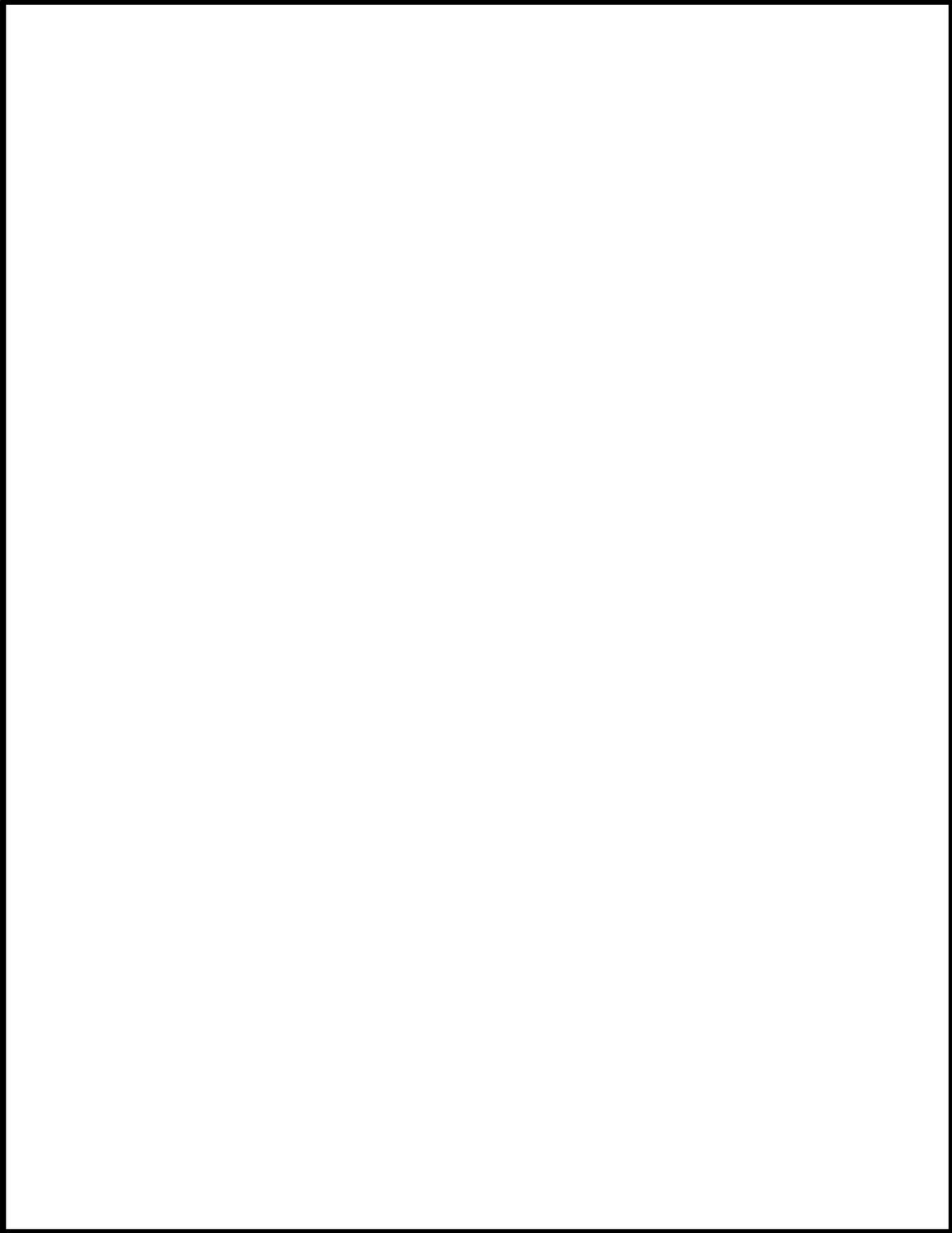
- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide.

Economic Impact & Job Creation

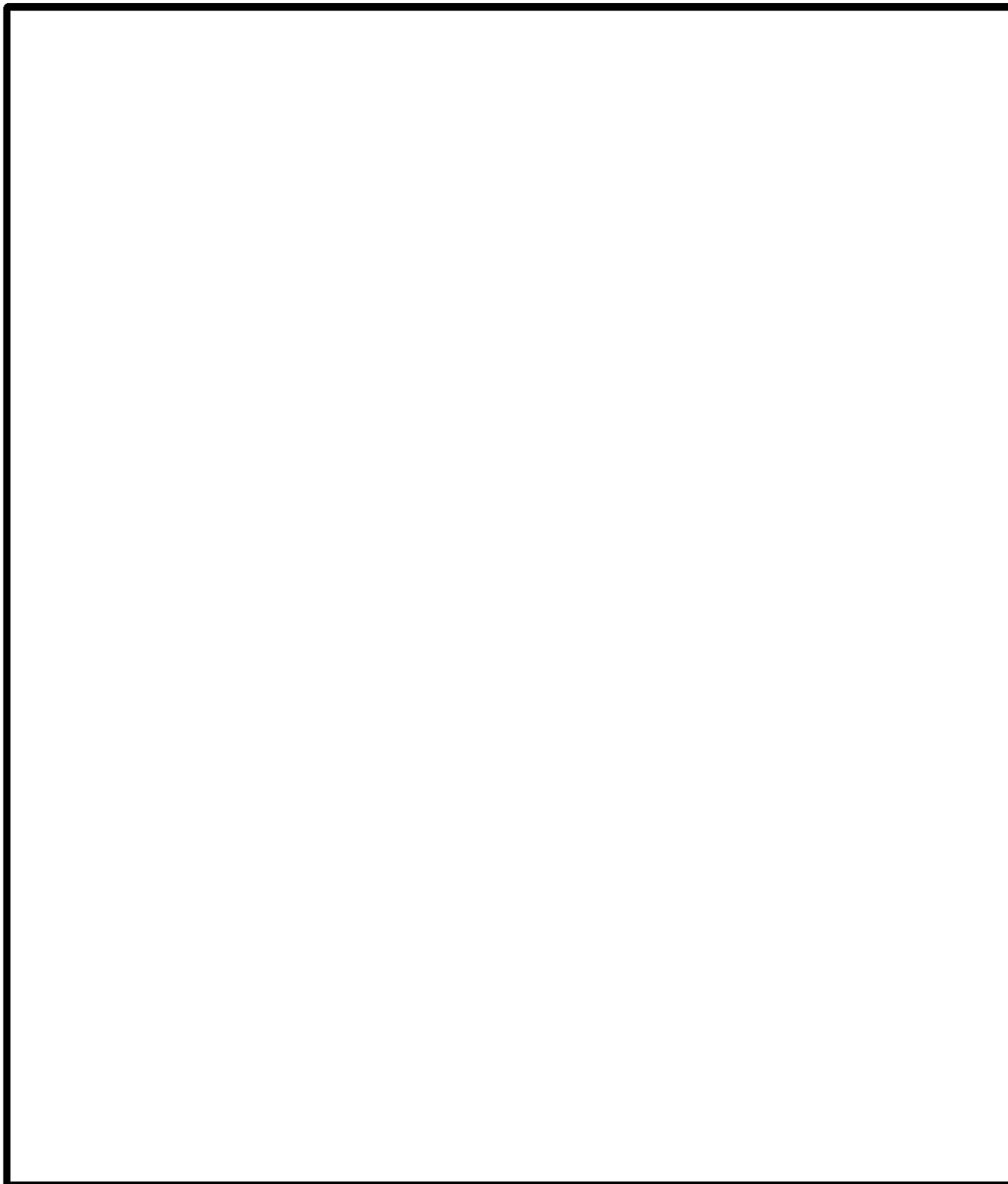
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(b)(4)



(b)(4)



Due Diligence Process

We will work with immigration lawyers in California, Japan, Korea, Hong Kong and Taiwan to recruit EB-5 Investors. We will also recruit EB-5 investors through immigration talk seminars conducted overseas.

All EB-5 investors will need to complete two sets of Due Diligence questionnaire (Exhibit 9) and submit two years of personal tax returns, 12 months of bank statements, and copies of financial documents and property deed to us. We will then forward all the documents to Burr Pilger Mayer LLP, a member of Leading Edge Alliance (LEA), a prestigious international professional association of independently-owned accounting and consulting firms to verify authenticity on all submitted documents. (b)(4)



Additional Documents

We hereby submit the following documents:

1. Business Plan (Exhibit 10)
2. Draft Operating Agreement (Exhibit 11)
3. Draft Subscription Agreement to replace previously submitted Purchase Agreement (Exhibit 12)
4. Draft Escrow Agreement to replace previously submitted Escrow Agreement (Exhibit 13)
5. List of proposed reputable financial institutions to serve as Escrow Agent (Exhibit 14)
6. Draft of an Offering Letter (Exhibit 15)

Due Diligence & Oversight Reporting Responsibilities

As mentioned above, California Wineries & Vineyards LLC will hire Burr Pilger Mayer LLP, an international tax accounting firm and member of Leading Edge Alliance (LEA) to provide accounting and audited financial services to the company each fiscal year. They will also be responsible for performing all due diligence and accounting services to each EB-5 investor.

California Wineries & Vineyards LLC will be also be responsible for keeping an internal accounting systems using Intuit Quickbooks to monitor all investment activities, income and expenses of the Regional Center. This accounting systems and its data will be available Burr Pilger Mayer LLP's audit any time. A copy of Burr Pilger Mayer LLP's brochure is attached hereto (Exhibit 16).

We hope that we have answered all the concerns raised by the USCIS and respectfully request that California Wineries & Vineyards LLC can be designated as one of the EB-5 Regional Center within Napa County.

Sincerely,

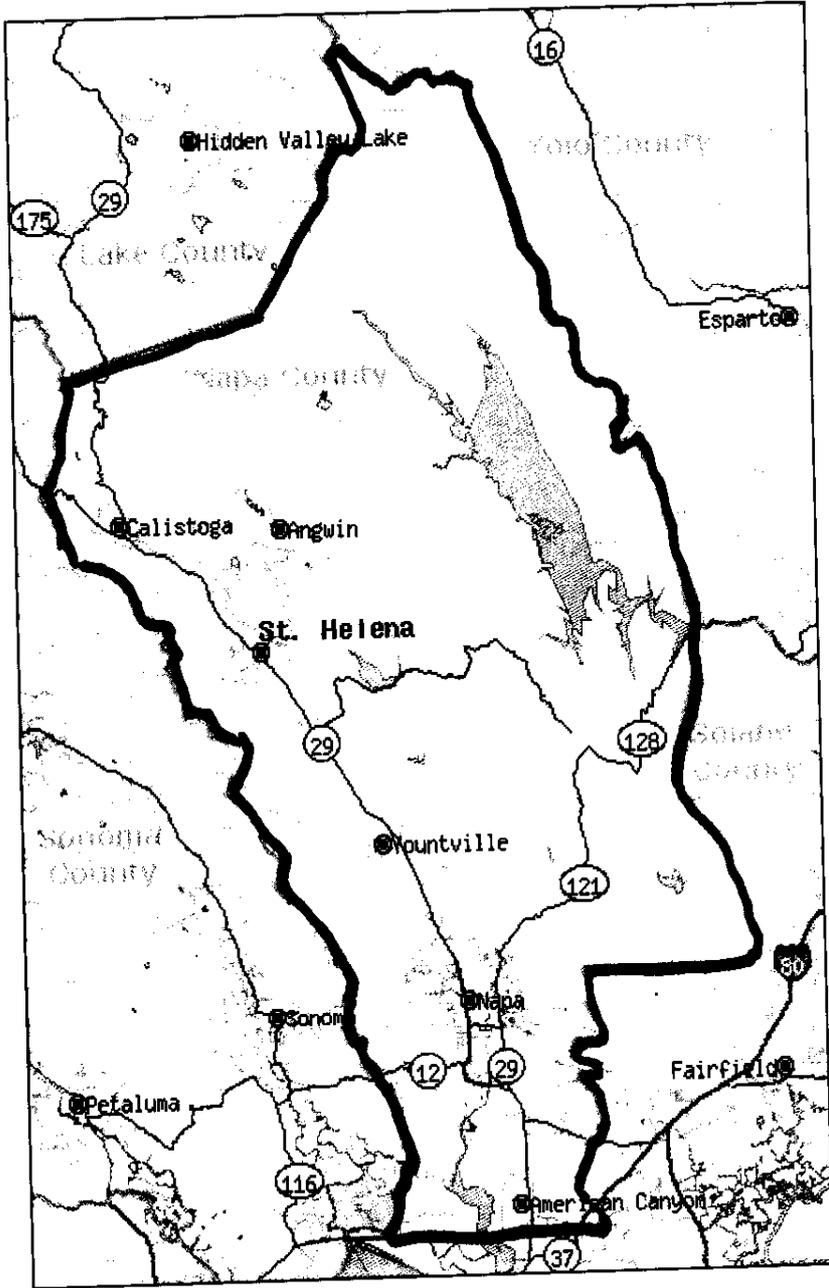


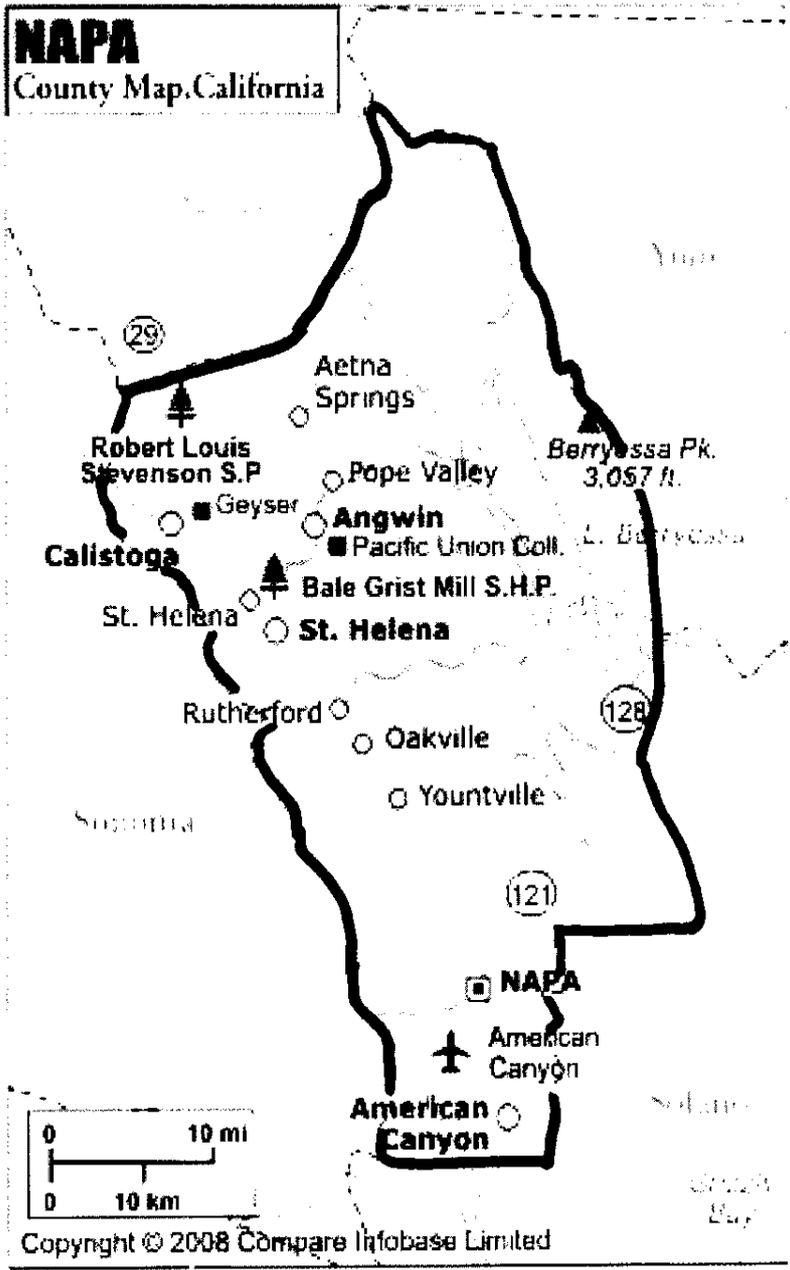
Christina C. Lau

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California Wineries & Vineyards LLC – Napa Vineyards Fund
EB-5 Regional Center Designation Supporting Documents

1	Napa County Map
2	Napa County Rural Area Maps (3)
3	Napa County Farmland Map
4	Napa County RIMS II Summary from BEA
5	Survey from California Wine Institute
6	Balance of Trade - Wine
7	Sample Vineyard Listings
8	Service Agreement - \$250,000 initial commitment to EB-5
9	EB-5 Investor Due Diligence Questionnaires
10	Business Plan
11	Draft Operating Agreement
12	Draft Subscription Agreement
13	Draft Escrow Agreement
14	Draft Offering letter
15	Proposed List of Escrow Agents





(b)(4)

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A Signature California Industry

California Wine



Wine is the number one finished agricultural product in retail value in the U.S.



- ▶ California is America's top wine producer, making 90% of all U.S. wine.
- ▶ California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- ▶ California's high wine quality is tied directly to the state's ideal climate, topography, and soil for winegrapes, so the industry will always be based in California.
- ▶ California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- ▶ California's wineries are predominantly family owned and multi-generational.
- ▶ California wineries support their communities and are philanthropic.

California's Wine Industry Benefits the State and Nation

- ▶ Produces \$51.8 billion in economic value for California.
- ▶ Generates \$125.3 billion for the U.S. economy.
- ▶ Creates 309,000 jobs in California and a total 875,000 jobs nationwide.
- ▶ Pays \$10.1 billion in wages in California and a total \$25.2 billion nationwide.
- ▶ Makes \$13 billion in state and federal tax payments.
- ▶ Attracts 19.7 million tourists annually to all regions of California.
- ▶ Generates wine-related tourism expenditures of \$2 billion in California.
- ▶ Gives \$115 million in annual charitable contributions from California wineries.

California Wine and Wineries Offer Intangible Benefits to Communities:

- ▶ Enhance the quality of life.
- ▶ Promote farming and winemaking practices that are socially and environmentally responsible.
- ▶ Offer cultural attractions such as music, festivals, theater, gardens and museums.
- ▶ Support local retailers, restaurants, hotels and other businesses.
- ▶ Preserve open space and provide scenic pastoral landscapes.
- ▶ Build pride for rural communities.
- ▶ Bring positive visibility to California and the U.S. worldwide.

California Wine Industry Profile¹

Number of Bonded Wineries	2687 Nearly all family-owned. Up 233% from 897 wineries in 1990
Number of California Grape Growers	4,600
California Wine Sales to the U.S.	192 million cases in 2007 Up 21% from 156 million cases in 1990
Retail Value of California Wine in the U.S.	\$18.9 billion in 2007
Share of U.S. Wine Market	63% by value Two out of three bottles sold in the U.S. are California wines
U.S. Wine Exports (95% from California)	\$951 million winery revenues 2007 Up 594% from \$127 million in 1990 50 million cases to 125 countries Up 317% from 12 million cases in 1990
Winegrape Acres	527,000 Though vineyards cover less than 1% of the state's terrain
Tons Harvested of Winegrapes	3.2 million
Farm Gate Value of Winegrapes	\$1.82 billion

Source: ¹ Wine Institute and MKF Research LLC.

What Wine Institute Supports

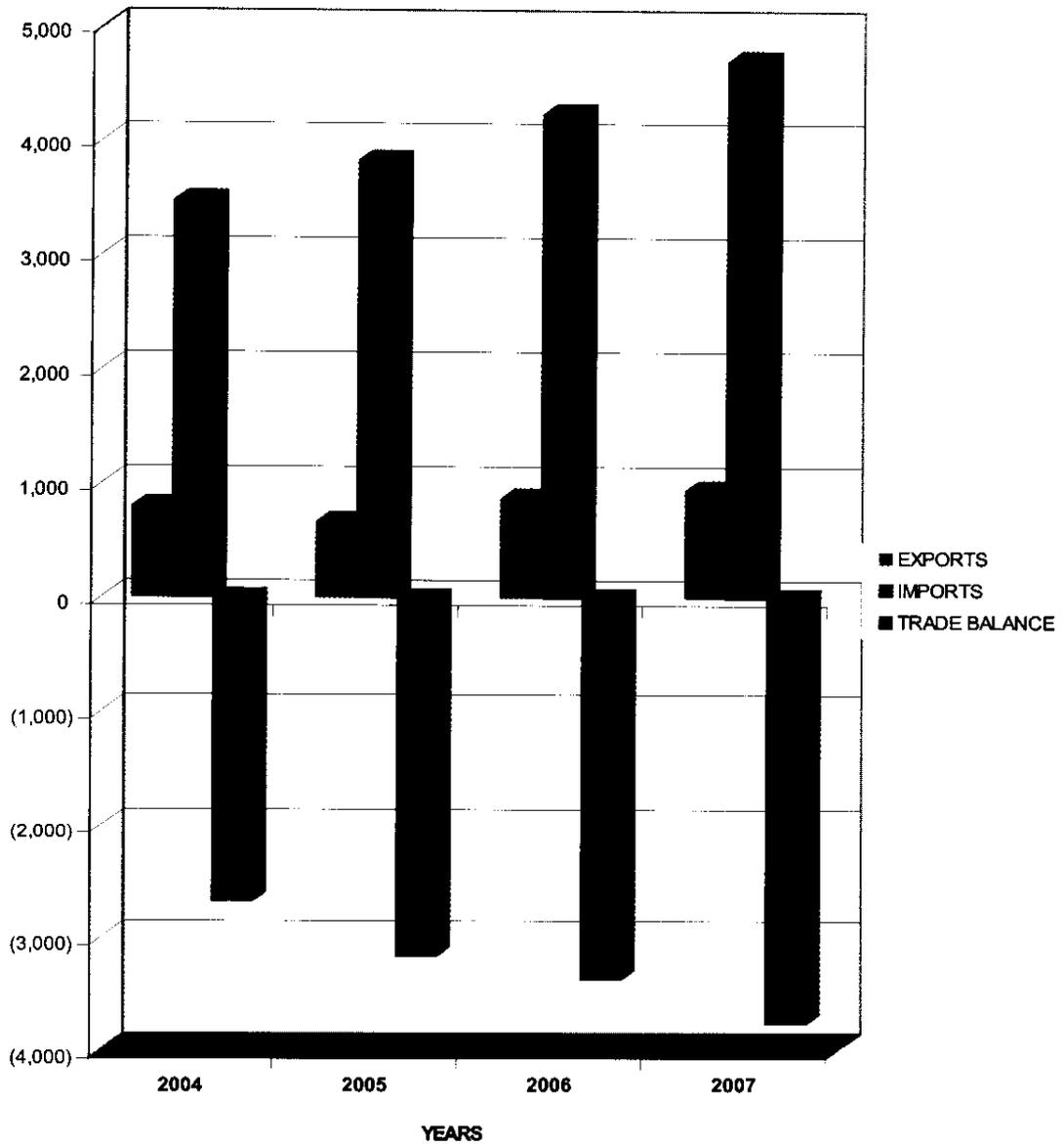
- ▶ Legislation and regulation that serve to encourage growth of the California and U.S. economy.
- ▶ Sensible and reasonable immigration reform that protects U.S. borders and ensures a reliable workforce.
- ▶ Funds for agricultural research to remain competitive in the global marketplace.
- ▶ Fair taxation and science-based regulation.
- ▶ Liberalized direct-to-consumer shipping.
- ▶ Leveling the playing field for California wine exports by reducing high tariffs and eliminating other trade barriers.
- ▶ Sustainable winegrowing and winemaking practices.
- ▶ Public policy and educational initiatives that promote the responsible and moderate consumption of wine.
- ▶ A Code of Advertising Standards that requires responsible marketing practices by Wine Institute members.



Established in 1934, **Wine Institute** is the public policy advocacy group for nearly 1,100 California wineries and affiliated businesses. For more information, contact Wine Institute, 415/512-0151, or www.wineinstitute.org, 425 Market Street, Suite 1000, San Francisco, CA 94105

**UNITED STATES WINE EXPORTS, IMPORTS AND
BALANCE OF TRADE
2007**

**US BALANCE OF TRADE (ALL CATEGORIES)
VALUE (\$000000)
2004 - 2007**



CALIFORNIA WINE EXPORT PROGRAM
425 Market Street, Suite 1000, San Francisco, CA 94105
Tel: 415-512-0151 Fax: 415-512-8416
Home Page: calwinexport.com

1025

RARE 1025 ACRES AND WINERY ESTATE
OFFERED FOR SALE



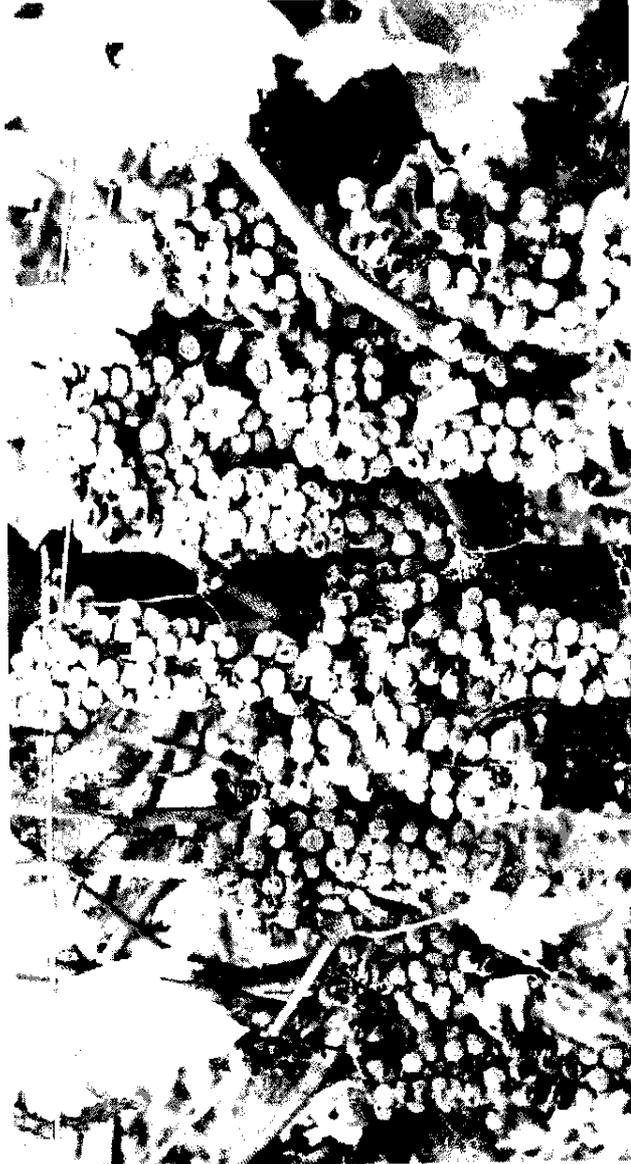
1025 TOTAL ACRES WITH 105 ACRES OF AWARD-WINNING VINEYARDS
23,662 SQ.FT WINERY AND OVER 16,000 SQ.FT OF CAVES



KEITH WINERY
ST. HELENA, CA



KEITH WINERY
ST. HELENA, CA



PLANTED VINEYARDS

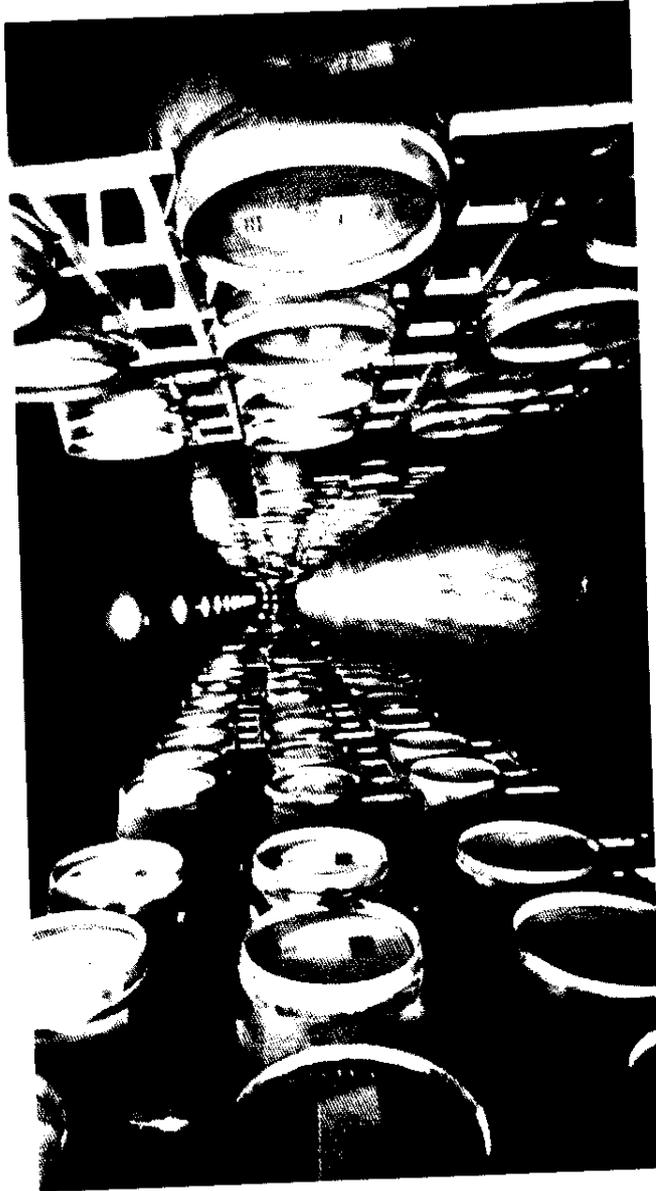
105 acres planted in vines
144 additional acres plantable
249 total planted acres possible

- Planted Varietals
- Zinfandel 51.0 acres
 - Sauvignon Blanc 15.0 acres
 - Petite Sirah 4.5 acres
 - Cabernet Sauvignon 15.0 acres
 - Cabernet Franc 4.5 acres
 - Merlot 12.0 acres
 - Assorted small acreages of 2.5 to 3.0 acres (Syrah, Muscat Canelli)
 - Total 105.0 acres

These acreages are approximate and were obtained by aerial survey



KEITH WINERY
ST. HELENA, CA



KEITH WINERY

The old California styled winery building is nestled up against a gently rolling hillside and overlooks a twelve acre lake. A local artist was commissioned to paint murals on the winery entrance walls depicting the history of the property. The hospitality area includes a huge tasting bar with picture windows framing the lake view and two large banquet rooms. In addition there are a kitchen, offices, and a large outdoor patio. The building totals just over 23,662 square feet.

The winemaking facilities include custom-made German stainless steel tanks, wine storage rooms, and 16,000 square feet of underground caves.

Napa, California

4840 Hardin Road, St. Helena, CA

40± Acres in Pope Valley

Price: \$2,499,000



View of vineyard

Property Type: Residential, Rural Residential, Farm & Ranch, Land (Acreage), Vineyard, Investment

County: Napa

Wine Region: Napa Valley

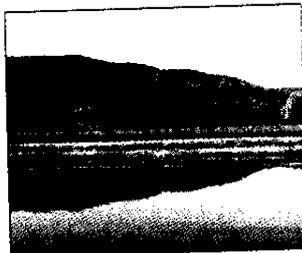
Bedrooms: 2

Baths: 1

Home sq. ft.: 1,056± sf

Lot Size: 40± acres

View: Vineyard, Valley



40± Acres in Pope Valley



Located at the southern edge of Pope Valley lies 40± acres of land, 25± level acres with a portion planted to vineyard, a large pond, barn and a home nestled in the oaks on the knoll. A colorful valley view spans across the pond and vineyards and the northeastern view from the patios and pool area features a remarkable overlook of St. Supery vineyards.

The property offers the benefit of being located north of San Francisco, less than 2 hours' drive. World-class restaurants and popular wineries can be enjoyed in nearby Napa Valley. Golfers may play in Pope Valley as plans are underway for two professionally designed golf courses, one slated for completion in 2008. The warm climate and unsurpassed beauty of Pope Valley has long been sought-after as a destination getaway.



The home is a two bedroom with casual features, plush carpeting, recessed lighting, plantation shutters and outdoor patios. A detached guest unit has similar features. There is mature, manicured landscaping surrounding a lovely pool and spa, the perfect place to relax and enjoy the serenity of Pope Valley.



Bergman Euro-National Wine Country Professionals: Vineyards, Estates & Wineries



Operational Winery With Tasting Room, Equipment and Cave, A Second Winery Permit in Place, Custom Estate Home, Lodge For Tasting Room, 8 Units, Another Home and 118 Acres Of Vineyard, & An Air Strip and Hangar, with a St. Helena Address. Two Parcels.

- 160 Acres Total (Two Parcels)
- 118 +/- Acres Planted To Vineyard
- Winery & Tasting Room

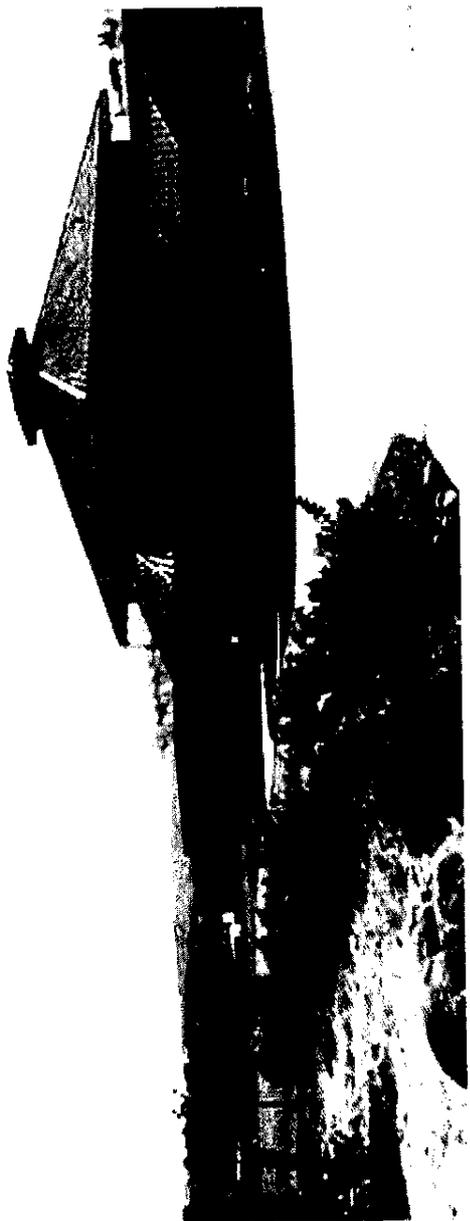
- 180,000 Gallon Capacity with expansion up to 360,000 Gallons
- 6,000 sq/ft Cave
- 6,000 sq/ft +/- Estate Home
- 43.8 acre foot Reservoir
- 2nd Parcel has a 50,000 Gallon winery permit, includes tasting room and events
- 1,800 sq/ft Home
- 8 Unit Lodge
- Airstrip
- Hangar

The 1st parcel has a fully operational winery, cave and all the equipment to crush 180,000 gallons of wine each year (can be expanded to 360,000 gallons.) This property consists of 80.90 acres of land with 58 acres planted to vineyard. There is a 6,000 sq/ft custom Mediterranean Home with a 3 car attached garage that sits high on a hill overlooking the valley below.

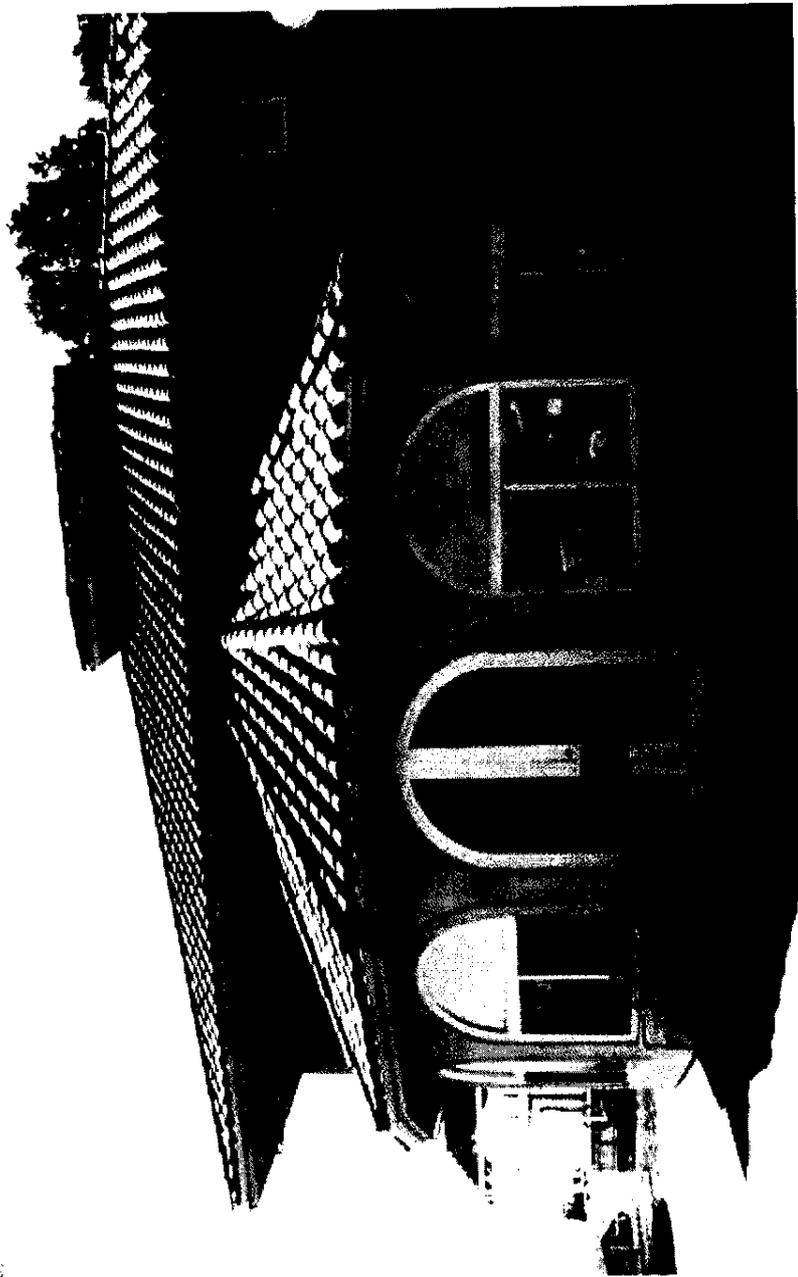


(Driveway leading to the winery)

(Winery & Tasting Room)

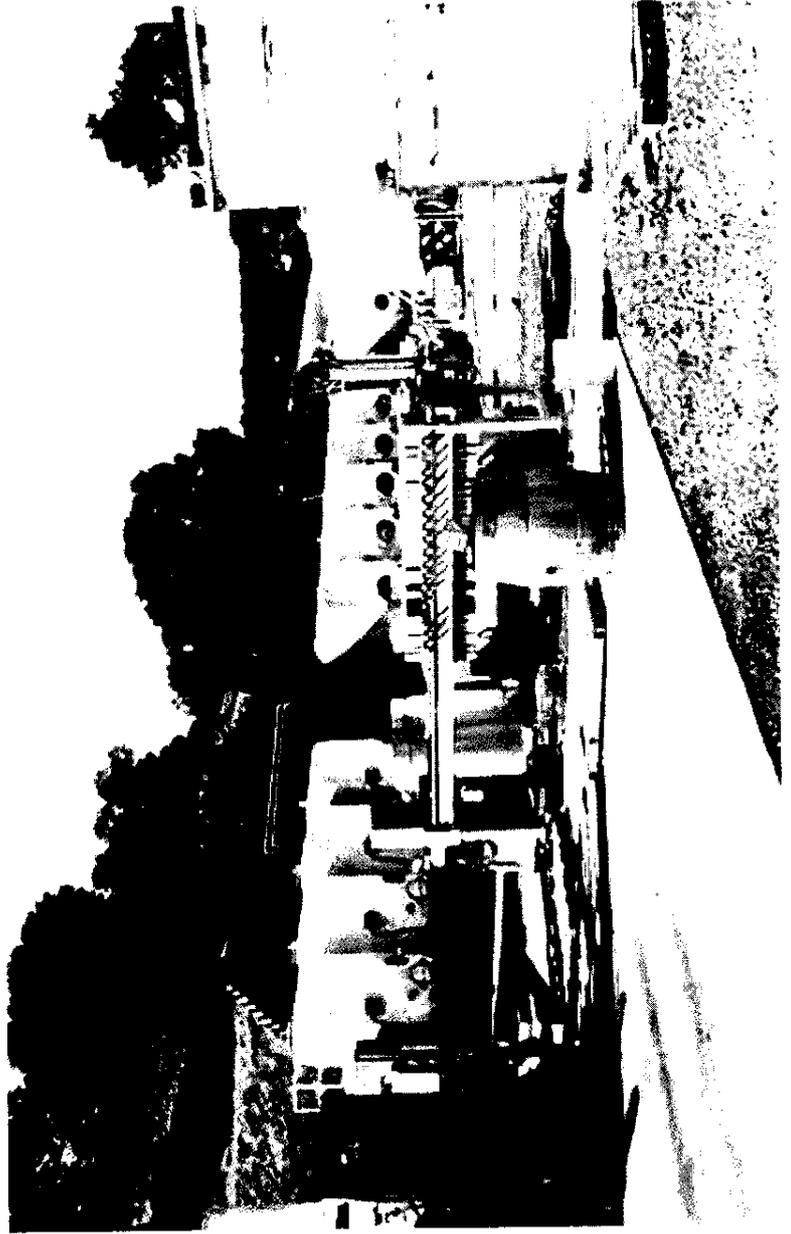


(Tasting Room Entrance)





(View From Estate Knoll)



(Chilled Tanks & Cave Entrance)

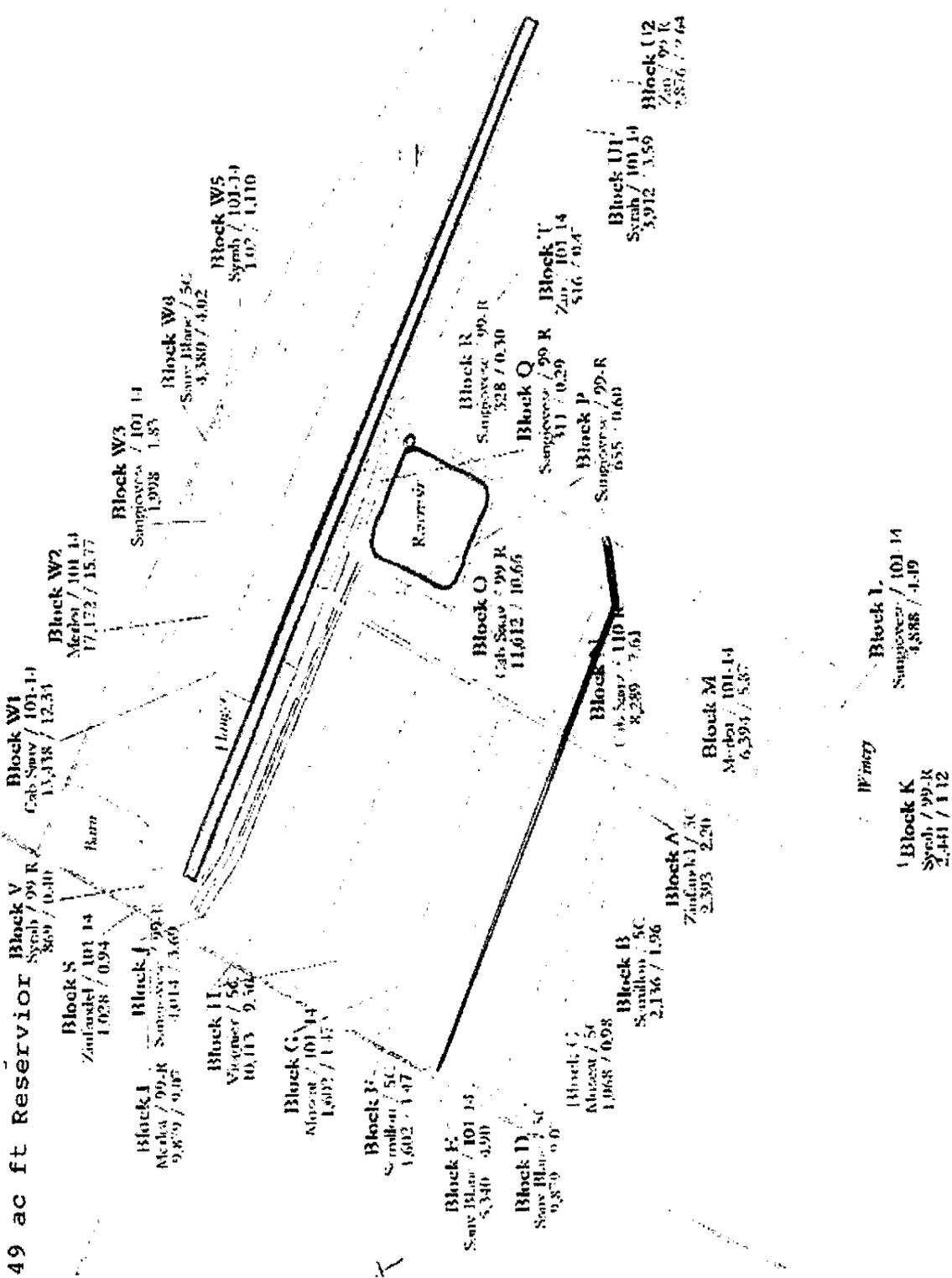
2nd Parcel



The second property sits contiguous to the other parcel with 80.92 acres total of which 60+/- acres planted to vineyard. There is a 50,000 gallon winery permit that includes the ability to have a tasting room, marketing and events. The property has a 3,800 sq/ft lodge building that can be used as a tasting room and for events. The lodge can seat 80 people with an additional 20 at the bar. The lodge has a commercial kitchen, a fireplace and an outside patio area with a pool.



49 ac ft Reservoir



(b)(4)

Preliminary Investor Questionnaire*

Please attach one (1) copy of the personal data page of your current passport

Investor Information

Name: _____
(LAST) (FIRST) (MIDDLE)

Home address: _____
(STREET)

(CITY) (STATE) (ZIP/POSTAL CODE)

Place of Birth: _____
(CITY) (STATE) (COUNTRY)

Date of Birth: ____/____/____ Country of Citizenship: _____
(MONTH / DAY / YEAR)

Marital Status: _____ Spouse Name: _____

Date of Marriage: ____/____/____ Spouse Date of Birth: ____/____/____
(MONTH / DAY / YEAR) (MONTH / DAY / YEAR)

Place of Birth: _____ Nationality: _____
(CITY) (STATE) (COUNTRY)

Children's Information

Name	Date of Birth <small>(mm/dd/yyyy)</small>	Place of Birth <small>(City, State, Country)</small>	Nationality
	/ /		
	/ /		
	/ /		
	/ /		

Have you or your spouse ever been denied entry to the U.S.? If yes, please briefly explain the circumstances.

Have you or your spouse ever been convicted of a crime? _____

Do you know of any medical condition that may disqualify you, your spouse or your children under the age of 21 from receiving U.S. immigrant visas?

Summarize your past work experience(s) (job title, dates started/ended, and company name(s)), including your present occupation.

Will you be able to clearly document that the cash required to make your investment comes from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments, inheritance, gifts or loans?

Summarize how you acquired your wealth, including the source of the investment funds. _____

(SIGNATURE OF APPLICANT)

_____/_____/_____

(MONTH / DAY / YEAR)

*NOTE: To satisfy banking laws, the above information will be shared with U.S. Bank National Association, the Escrow Agent for the Fund.

Secondary Investor Questionnaire

Please answer all of the questions. Please enter N/A if the question is non-applicable.

PRIMARY APPLICANT INFORMATION

NAME _____
(Last) (First) (Middle Initial)

GENDER: Male Female

OTHER NAMES USED OR ALIASES (i.e. maiden name) _____

FULL NAME IN NATIVE ALPHABET _____

SOCIAL SECURITY # _____ A# _____

ADDRESS _____
(Street # and Name) (Apt. #)

(City or Town) (State or Province)

(Country) (Zip or Postal Code)

TELEPHONE NUMBER _____
(Country Code) (Area Code) (Number)

FAX NUMBER _____
(Country Code) (Area Code) (Number)

EMAIL ADDRESS _____

WHAT IS YOUR CURRENT OCCUPATION? _____

ENGLISH LANGUAGE NEED TRANSLATOR CONVERSATIONAL FLUENT

OTHER FOREIGN LANGUAGES _____

ANTICIPATED DATE OF YOUR PETITION SUBMISSION _____
(MM) (DD) (YYYY)

APPLICANTS LIVING IN THE UNITED STATES

U.S. ADDRESS _____
(Street # and Name) (Apt. #)

(City or Town) (State or Province)

(Country)

(Zip or Postal Code)

DATE OF ARRIVAL _____ / _____ / _____
(MM) (DD) (YYYY)

TYPE OF VISA: _____

1-94 # _____ CURRENT NON-IMMIGRANT STATUS _____

EXPIRES ON _____ / _____ / _____
(MM) (DD) (YYYY)

PRIMARY APPLICANT'S NET WORTH

LOCATION OF ASSETS: UNITED STATES ABROAD BOTH

IF ABROAD, WHICH COUNTRY? _____

ASSETS

CHECKING ACCOUNT	\$ _____
SAVINGS ACCOUNT	\$ _____
INVESTMENTS (STOCKS, BONDS & MUTUAL FUNDS)	\$ _____
BUSINESS INCOME	\$ _____
REAL ESTATE	\$ _____
INHERITANCE	\$ _____
GIFT	\$ _____
OTHER (EXPLAIN ON SEPARATE SHEET)	\$ _____
TOTAL	\$ _____

LIABILITIES

MORTGAGE	\$ _____
OTHER LOANS (EXPLAIN ON SEPARATE SHEET)	\$ _____
TOTAL	\$ _____

TOTAL NET WORTH \$ _____

SOURCE OF FUNDS FOR \$525,000 INVESTMENT

***Please use an additional sheet if necessary.**

OF THE ABOVE ASSETS, WHICH WILL CONTRIBUTE TO THE \$525,000 INVESTMENT?

ASSET _____ \$ _____

TOTAL INVESTMENT **\$525,000**

Investor Documents for I-526 Application

One copy of each document below must be submitted with the application. Originals should be retained for presentation at the consulate interview.

All documents must be in English or be accompanied by English translations certified by a competent translator and sworn to before a Notary Public.

Passports

Clear copies of passport for each member of the family. Passports must be valid for travel to the United States and must have at least 6 months validity beyond the issuance date of the visa. Household members can include applicant, spouse, and all unmarried children under the age of 21.

Family Certificates

Copies of birth, marriage (or divorce) certificates.

- **Birth Certificate:** One certified copy of the birth certificate for each person named in the application. Birth records must be presented for all unmarried children under the age of 21 even if they do not wish to immigrate at this time.
- **Marriage Certificates:** Certified copy of marriage certificate. Proof of termination of any previous marriage(s) must also be submitted (e.g., death certificate of spouse, final decree of divorce or annulment).

Police Certificates

Each visa applicant 16 years or older is required to submit a police certificate from the police of each locality of the country of the applicant's nationality or current residence or where the applicant has resided for at least six months since turning 16. Police certificates are also required from all other countries where the applicant has been arrested for any reason, and must be of recent date when presented. Police certificates must cover the entire period of the applicant's residence in any area.

Court/Prison Records

Persons who have been convicted of a crime must obtain a certified copy of each court record and of any prison record, regardless of subsequent benefit from an amnesty, pardon or other act of clemency.

Military Records

A certified copy of any military record.

Photographs

2 color photographs in passport style are required. No head covering or dark glasses should be worn.

Financial Statements

Financial information that evidences a net worth of at least U.S. \$500,000. Evidence can include bank statements, documents showing ownership in real estate or a company, accompanied by an appraisal of value and registration of ownership. Other examples of evidence include a gift statement, a loan statement, etc.

Resumé

Information on the Investor detailing education, employment history, and business experience.

Source of Funds

The Investor must prove that the funds come from a lawful source such as profit or earnings from a business, the profits or proceeds from the sale of real estate, or the profits or earnings from stock or other investments. Inheritance, gifts or loans are allowed as a source of funds under the law.

Transfer of Funds

California Wineries & Vineyards LLC will provide evidence that the initial deposit has been placed in an escrow account prior to filing the application. The escrow account is established in a protected, interest-bearing account with a bank or legal counsel in the U.S. or overseas.

Questionnaire

The Investor must complete a preliminary and secondary investor questionnaire for California Wineries & Vineyards, LLC. If the questionnaire is completed in the Investor's native language, an English translation must be provided.

All agreements and forms are available to the Investor for review prior to making any investment decisions. Documents are written in English to comply with U.S. law.



California Wineries & Vineyards
LLC

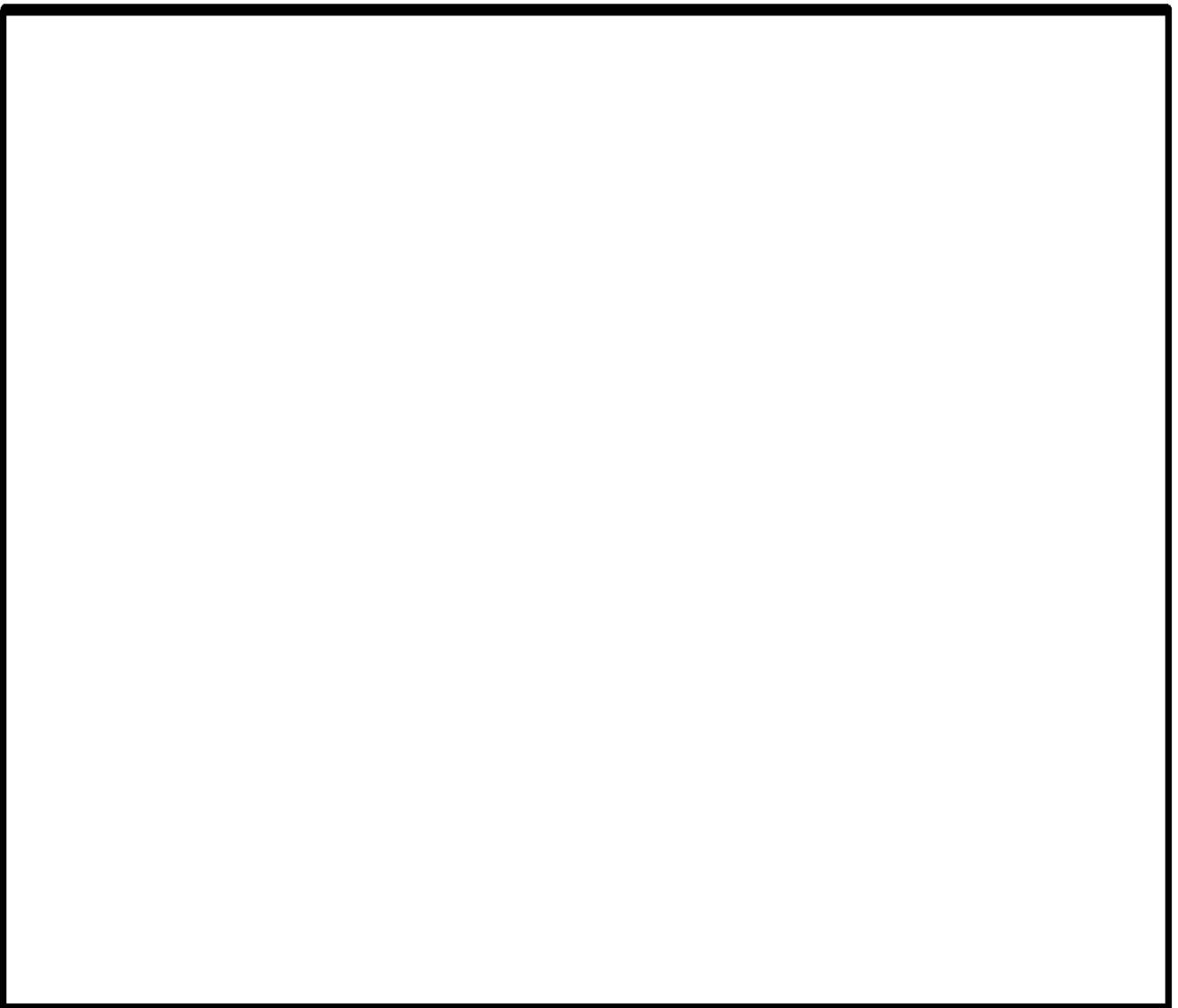
Napa Vineyards Fund

Purpose of Fund

- To establish a USCIS designated EB-5 Regional Center within Napa County located in Northern California
- To raise \$49 million for Napa Vineyards Fund for:
 - purchasing of 250 acres of planted vineyards/farmland to produce wine grapes
 - investing into existing trouble wineries and/or vineyards that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).
- Our goal is to seek 98 foreign investors – each will contribute \$500,000 into this Fund that can bring good prospect of economic impact to Napa County and at the same time can gain permanent residency to the United States

Investment Terms

(b)(4)



Commercial Activity Involved

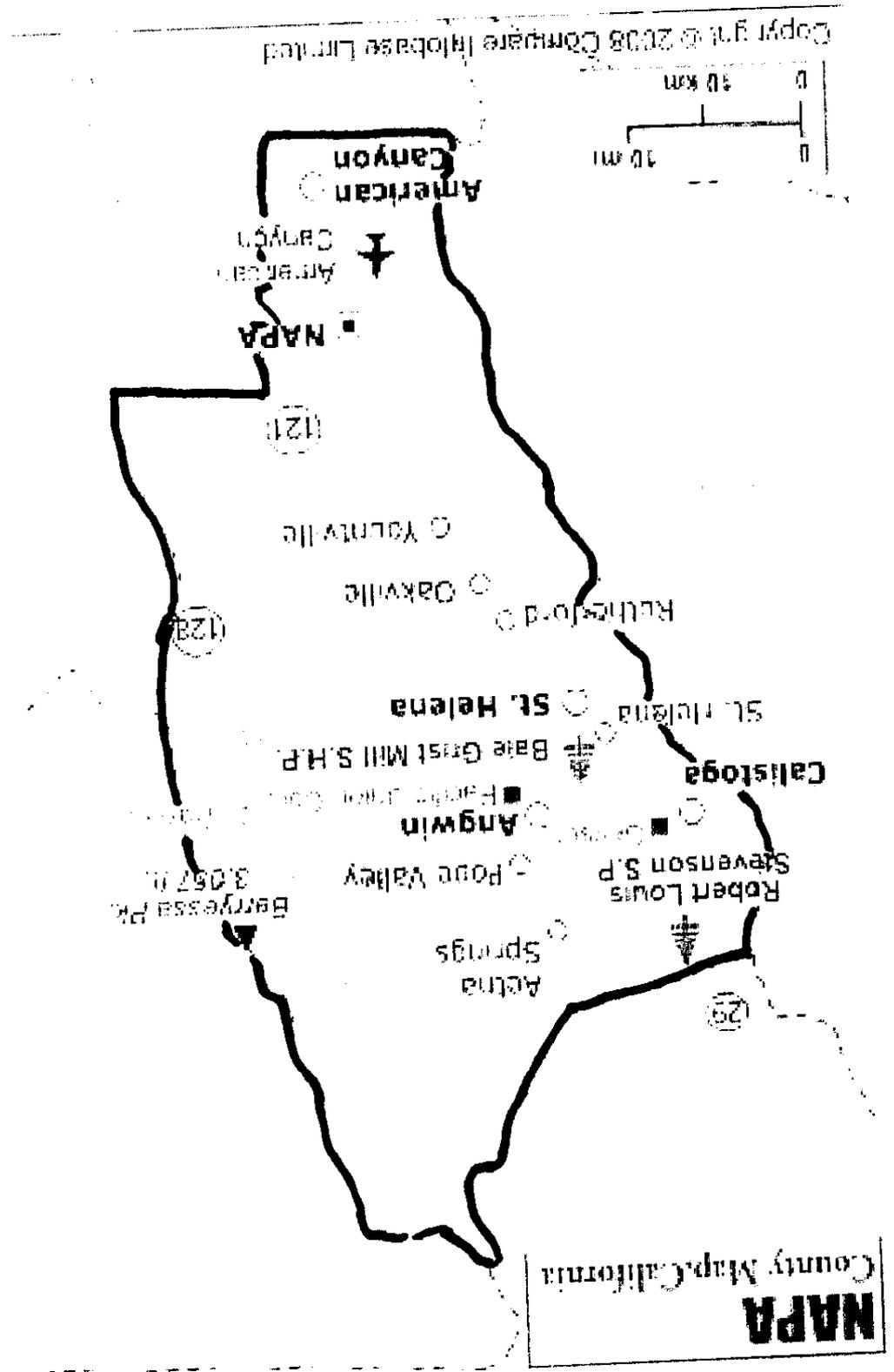
Wine grape growing in Napa county is one of the top ten California agricultural activities. When buying wineries and vineyards, the following commercial activities will be involved and impacted. The Napa Vineyards Fund intends to promote job creation and economic growth through the following activities happening within Napa county:

- Wine or table grape growing, harvesting and processing
- Wine making, manufacturing and bottling
- Wine warehousing & storage
- Wholesale and retailer trade to both domestic and overseas buyers
- Truck transportation

The Fund Brings Following Benefits to Napa County

- Promote farming and winemaking practices that are socially and environmentally responsible.
- Support local retailers, restaurants, hotels and other businesses.
- Build pride for rural communities.
- Bring positive visibility to California and the U.S. worldwide

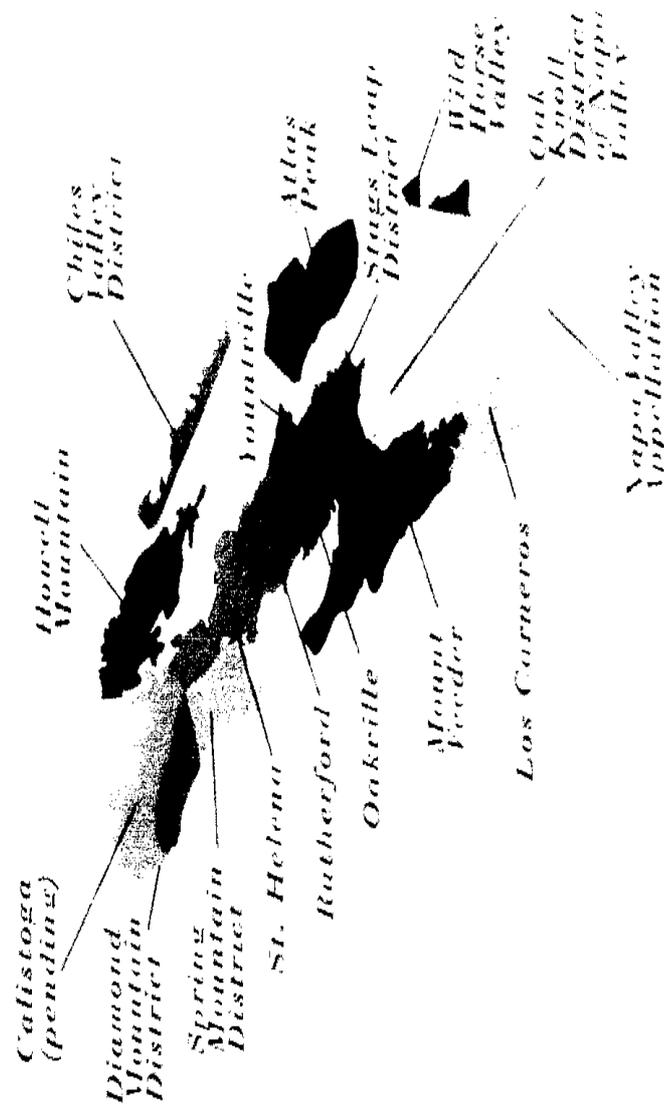
Overview of Napa County



Wine in Napa Valley

- Napa Valley is widely considered one of the top AVAs in California, and all of the United States
- Napa Valley's boutique wineries produce some of the world's best wines. The producers of these wines include but are not limited to: Araujo, Bryant Family, Colgin Cellars, Dalla Valle Maya, Diamond Creek, Dominus Estate, Duckhorn Vineyards, Dunn Howell Mountain, Grace Family, Harlan, Husic, Kistler, Jericho Canyon Vineyards, Marcassin, Screaming Eagle, Shafer Hillside Select, Sine Qua Non, Spencer-Rolosen Winery and Vineyard 29.
- During the early decades of winemaking in the Napa Valley, grapes were often planted in patchwork pattern vineyards in which many varieties were mixed. But experience has since shown the wisdom of matching grapes with locations whose microclimates and soils are best suited to particular grape varieties.
- Today Napa Valley features more than three hundred wineries and grows many different grape varieties including Cabernet Sauvignon, Chardonnay, Merlot, Zinfandel, and other popular varietals. Napa Valley is visited by as many as five million people each year.

Wine Appellation Chart



Appellations

The Napa Valley is itself an appellation. Within the Napa Valley appellation exists 14 subappellations, or AVAs, including: Atlas Peak, Chiles Valley District, Diamond Mountain District, Howell Mountain, Los Carneros, Mt. Veeder, Oakville, Rutherford, St. Helena, Spring Mountain District, Stags Leap District, Yountville, Wild Horse Valley and Oak Knoll District of Napa Valley. The Calistoga appellation is still pending approval.

- **Atlas Peak AVA**

Climate: Cool, mountain-influenced, with temperatures about 10 to 15°F cooler than the Valley floor in summer. Above the fog line, there is a low diurnal change, with summer temperatures rarely above 90°F (30°).

Elevation: 760 to 2600 ft (231m to 792m).

Rainfall: 38 inches (96 cm) annually.

Soils: Volcanic in origin, with basaltic red color, shallow with limited water retention, so irrigation is often essential.

Principal varieties & characteristics: Cabernet Sauvignon: Bright berry and cherry fruit, and more acidity than wines from Stags Leap District. Chardonnay: Crisp, floral, aromatic, with distinctive pear-mineral flavors and bright acidity.

- **Chiles Valley District AVA**

Climate: Fairly warmer summer days (mid-80°F plus), but due to higher elevation and summer fog at night, quite chilly at night (below 50°F). With colder winters and spring, as well as strong winds, harvest comes later than on valley floor at Oakville.

Elevation: 800 to 1300 ft. (242 to 394m).

Rainfall: 35 inches (88cm) annually.

Soils: On the valley floor, primarily alluvial soils with silty-clay composition of marine origin, with good fertility. Hillsides show more clay-loam and stony-clay composition, mostly marine in origin, with some volcanic outcropping, and less fertility.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Cabernet Franc: Cabernets usually reveal a lush yet firm texture with good acidity, firm tannin and distinctive cherry-blackberry flavors. Merlot typically has vibrant black cherry flavors mixed with a touch of cocoa.

- **Diamond Mountain District AVA**

Climate: Moderately warm temperatures with lower maximum temperatures and higher minimum temperatures than north Napa Valley floor, due to topography and altitude. Significantly cooler than valley floor near Calistoga, 50 to 95°F in growing season (10 to 32°C).

Elevation: 400 to 2200 ft. (130 to 530 m)

Rainfall: 40 to 55 inches (135cm) annually.

Soils: Residual uplifted soils of volcanic origin, often reddish and very fine-grained, even gritty in texture, composed of both weathered sedimentary and volcanic origin.

Principal varieties & characteristics: Cabernet Sauvignon, Cabernet Franc: firmly structured, rich and fairly tannic when young, with strong blackcurrant, mineral, and cedary flavors. Less supple and fleshy than valley or benchland wines, with good aging potential. Chardonnay: Full-bodied, yet revealing mineral, green apple-peach aromas with fairly firm acidity; less richly textured than valley floor wines.

- **Mount Veeder AVA**

Climate: Cool to moderate, with most vineyards above the fog-line, meaning warmer nights and cooler days and less diurnal range than the valley floor. Typical mid-summer high temperatures about 85°F (30°C).

Elevation: 600 to 2100 ft. (183 to 650m).

Rainfall: 35 inches (87.5cm) annually.

Soils: Sedimentary based, former seabed, shallow and generally well drained, as well as more acidic, with low fertility. Most have a sandy or sandy-loam texture.

Principal varieties & characteristics: Ageability is a hallmark of Mt. Veeder wines. Cabernet Sauvignon, Merlot, Zinfandel: Low yields give red wines a firm, tannic structure with strong earth-berry aromas and rich, but powerful flavors. Chardonnay: minerally, apple, even citrus flavors with good acidity.

- **Oak Knoll District of Napa Valley AVA**

Climate: Moderate to cool: marine air and fog can remain until mid-morning. Late afternoon breezes frequently occur, maintaining slightly cooler temperatures than upper valley. Mid-summer temperatures may reach 92 degrees F (31.5 C) and drop to around 50F (10C) at night.

Elevation: sea level to 800 feet (244m)

Rainfall: 36 inches (90cm) annually.

Soils: The valley's largest alluvial fan formed by Dry Creek creates the defining feature of the district. The northwest area is composed of volcanically derived soils, with stony or gravelly consistency. South and east areas are transitional from gravel to silty clay loam.

Principal varieties & characteristics: Merlot, Chardonnay and Cabernet Sauvignon. Merlot and Cabernet Sauvignon benefit from a longer growing season with slightly cooler temperature, though crop size is typically less than in other AVAs. Elegant style is the common note with fruit flavors of cassis, tobacco and spice typical to Bordeaux-style reds. Chardonnay showcases flavors of crisp apple, mineral notes and tropical fruit with fine acidity.

- **Oakville AVA**

Climate: Moderately warm, with temperatures commonly in the mid-90°F range in high summer, but also still strongly affected by night and early morning fog which helps keep acidity levels good. East side of the AVA receives more of warmer afternoon sun.

Elevation: 75 to 500 ft (23 to 150m).

Rainfall: 35 inches (87.5 cm) annually.

Soils: Primarily sedimentary gravelly alluvial loams on the western side, with more volcanic but heavier soils on the eastern side. Low to moderate fertility and fairly deep, with average water retention.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot: Ripe currant and mint flavors, rich texture and full, firm structure tempered by rich fruit. Sauvignon Blanc: Full, steely, yet very fleshy, and not especially crisp.

- **St. Helena AVA**

Climate: Warm, due to greater protection from western hills, with less fog or wind incursions. The narrowing of the valley floor provides more heat reflection off the hillsides. Mid-summer temperature peak is often in the mid- to high 90°F range (31 to 35°C).

Elevation: 150 to 600 ft. (46 to 185m).

Rainfall: 38 to 40 inches (95 to 100cm) annually.

Soils: South and west borders are more sedimentary, gravel-clay soils, with lower fertility and moderate water retention. Further north and to the east soils are prevalently volcanic in origin and are deeper and more fertile.

Principal varieties and characteristics: Cabernet Franc, Cabernet Sauvignon, Merlot: deep, ripe, often jammy flavors, with firm tannins for structure, and appealing aromas of currant and black fruit. Rhone varieties (Syrah, Viognier): Fleshy, supple and slightly earthy. Zinfandel: Blackberry-like, well-structured.

- **Spring Mountain District AVA**

Climate: Similar to Mt. Veeder AVA, with cool weather prevailing and smaller diurnal changes. Fairly cool nights and higher elevations help maintain good acidity.

Elevation: 600 to 2200 ft (184 to 675m).

Rainfall: 40 to 50 inches (125cm) annually.

Soils: Primarily sedimentary; weathered sandstone/shale, loamy and friable in texture. Drainage is high, fertility low.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Zinfandel: Powerful, firm, blackberry-currant flavors and often richly tannic, with excellent acidity for aging. Chardonnay, Viognier: Sinewy, firm and not as fruity as those of the valley floor, revealing more citrus and stone fruit flavors.

- **Stags Leap District AVA**

Climate: Moderately warm, with afternoon marine winds acting as an 'air-conditioner' to cool the warmer air radiating off the bare rocks of Stags Leap itself and the surrounding hillsides. This AVA is often up to 10°F warmer than in Yountville AVA. Mid-summer temperatures can reach 100°F, but more regularly are in mid-90 range (32-34°C).

Elevation: 66 to 400 ft. (20 to 123 m).

Rainfall: 30 inches (75cm) annually.

Soils: Volcanic gravel-loams on the floor of the valley, with rocky hillsides, and low to moderate fertility due to hard clay bedrock subsoils 2 to 6 feet down.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot, Sangiovese: Distinguished by lush, velvety textures and fine perfumed cherry and red berry flavors, supported by soft tannins. Chardonnay, Sauvignon Blanc: Round and ripe, especially Sauvignon Blanc, yet retain excellent citrus and apple flavors.

- **Wild Horse Valley AVA**

Climate: A warmer area well to the east of Napa Valley proper, but still moderated by both altitude and prevailing winds coming off Suisun Bay to the Southeast.

Elevation: Wild Horse Valley 400 to 1500 ft. (123 to 460 m).

Rainfall: 35 inches (94 cm) annually.

Soils: Volcanic in origin, with basaltic red color, shallow with limited water retention, so irrigation is often essential.

Principal varieties & characteristics: Cabernet Sauvignon, Sangiovese: Bright berry and cherry fruit, and more acidity than wines from Stags Leap District. Chardonnay: Crisp, flora, aromatic, with distinctive pear-mineral flavors and bright acidity.

- **Yountville**

Climate: Moderate, with definite cool marine influence and fog contributing to cool summer mornings and the marine breeze keeping afternoons more comfortable than further up valley. Mid-summer peak temperatures may reach 90°F (31°C), with noticeable diurnal fluctuation to the mid-50°F range (13°C).

Elevation: 20 to 200 ft (6 to 61m).

Rainfall: 32 inches (80 cm) annually.

Soils: Principally gravelly silt loams, sedimentary in origin, and gravelly alluvial soils with rock, moderately fertile.

Principal varieties & characteristics: Cabernet Sauvignon, Merlot: Yountville favors Cabernet and Merlot with ripe, violet aromas and rich, but supple flavors and firm tannins.

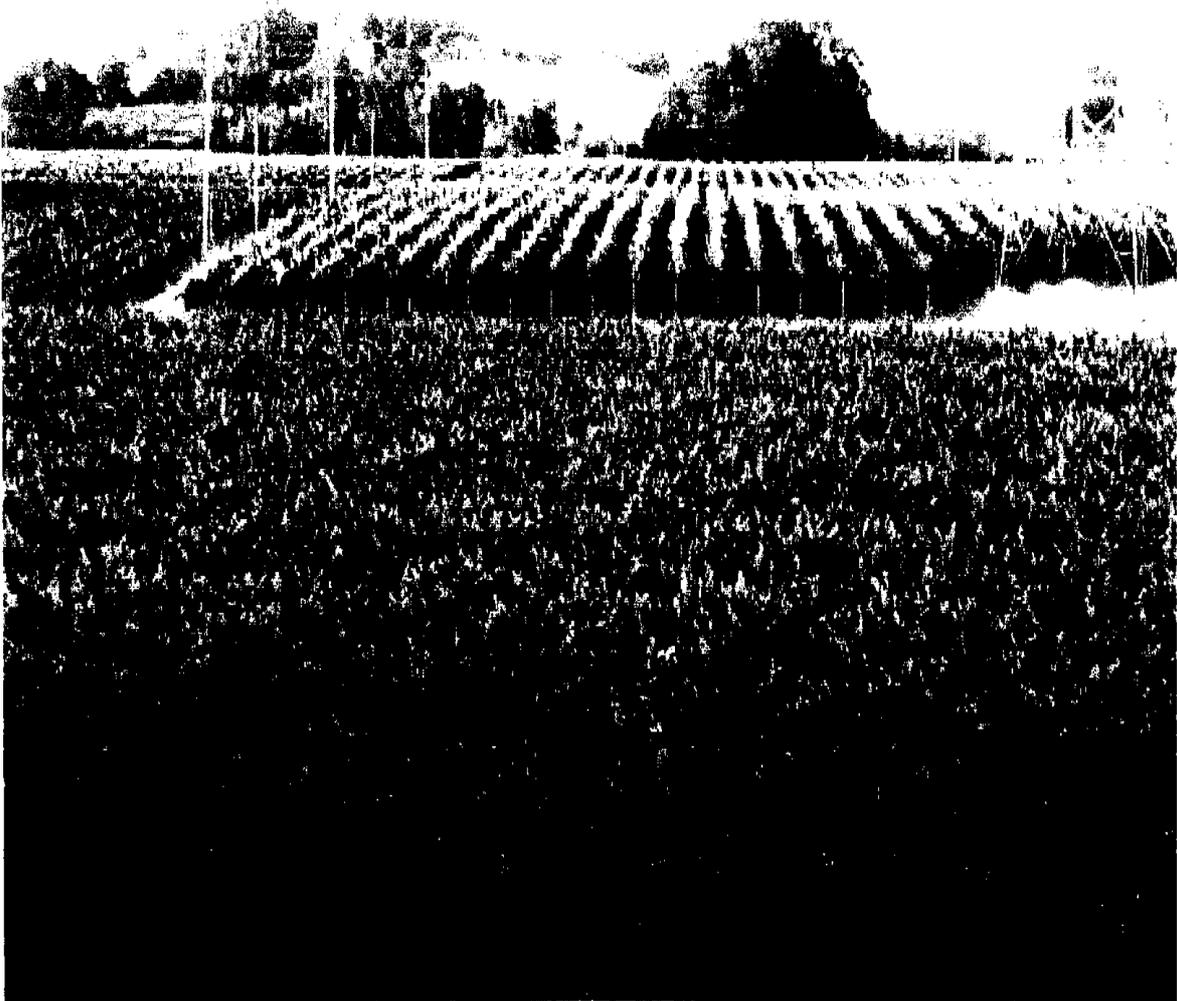
2008 Harvest Report

- Winegrowers across the renowned Napa Valley met the challenges of a crazy weather year, harvesting fruit with incredible concentration which, by all accounts, is showing 2008 as a low-yielding, yet high-quality vintage from Napa Valley. Mother Nature may have lightened the load in the vineyard, but what's being revealed in the winery is very well structured, concentrated, elegant wines.
- Each year growers and vintners adapt and change as the conditions in the field change day to day. The level of vine management in superior quality regions like Napa Valley find growers with tools to react to almost anything thrown at them, it has been said that agriculture in Napa Valley is nearly elevated to the art of horticulture in how each vine, each block is nuanced to grow these high-quality wine grapes. Twenty or 30 years ago, vineyard crews would work the vineyard three times: prune, sucker and pick. Today many viticulturists say their crews make more than 20 passes though each vineyard, individually managing each vine's canopy for optimal sun to shade exposure, positioning only the finest clusters to continue through veraison to harvest and pre-selecting from the vine the best to be taken to the winery for crush. While other winegrowing regions are bringing in 10, 2 or 16 tons per acre, Napa Valley vintners are keenly selective bringing in only the best, averaging not more than four tons per acre and in many cases far less. Of note, Napa Valley accounts for just 4% of California's production, yet its wines provide for about a third of the economic impact of the state's wine industry.

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Investment Opportunity Vineyards



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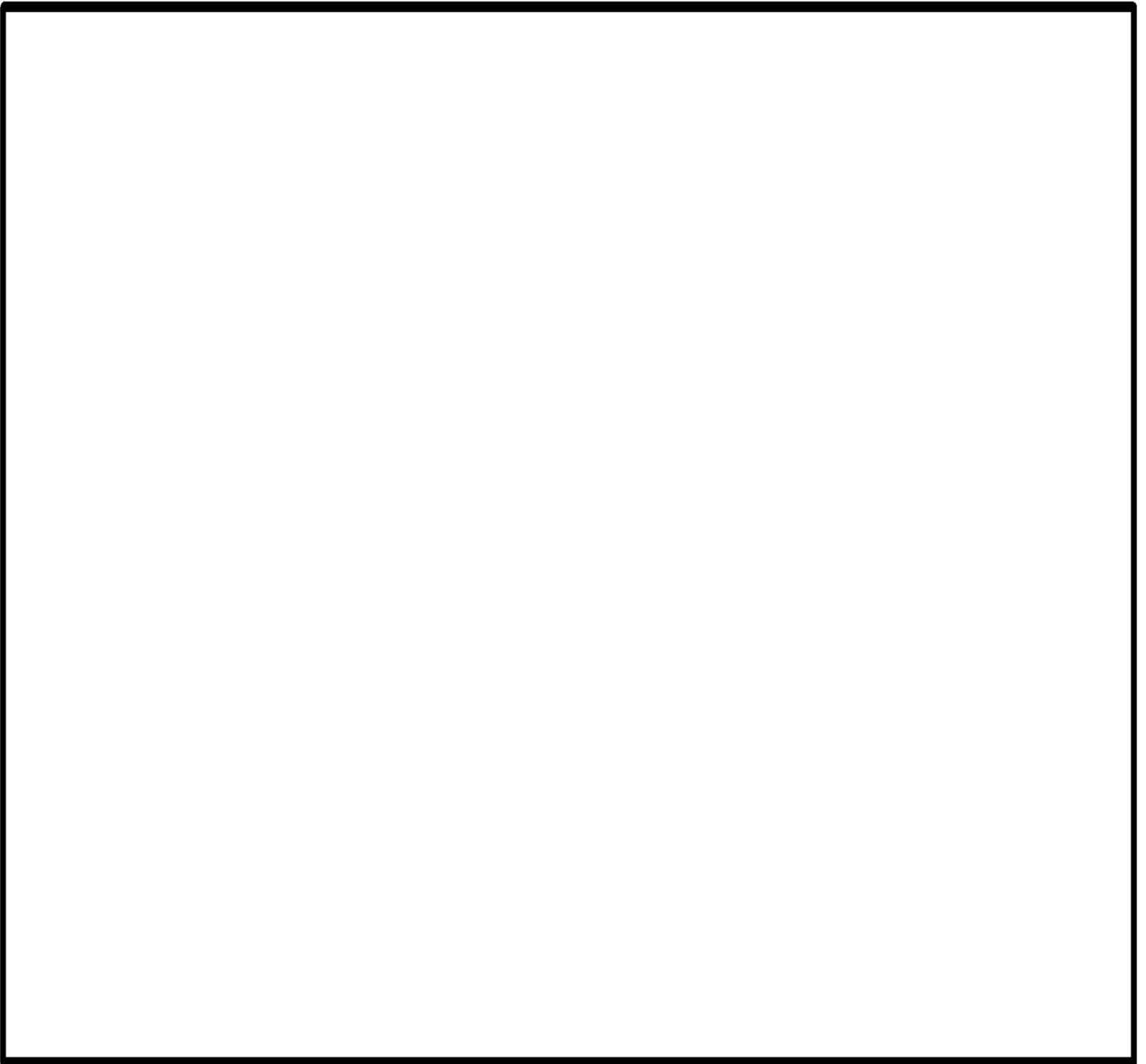
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Wine Industry in the California

- Wine is the number one finished agricultural product in retail value in the U.S.
- California is America's top wine producer, making 90% of all U.S. wine.
- California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- California's high wine quality is tied directly to the state's ideal climate, topography, and soil for wine grapes, so the industry will always be based in California.
- California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- Produces \$51.8 billion in economic value for California.
- Generates \$125.3 billion for the U.S. economy.
- U.S. Wine Exports (95% from California) is \$951 million winery revenues 2007 - up 594% from \$137 million in 1990.
- Creates 309,000 jobs in California and a total 875,000 jobs.
- Retail Value of California Wine in the U.S. \$18.9 billion in 2007.
- Creates 309,000 jobs in California.
- California Wine Sales to the U.S. 192 million cases in 2007- up 21% from 156 million cases in 1990.
- Attracts 19.7 million tourists annually to all regions of California.

Business Model

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Economic Impact & Job Creation

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Organizations That We Work With

- California North Coast Grape Growers Association
- California Wine Institute
- Calistoga Chamber of Commerce
- Carneros Wine Alliance
- Napa Chamber of Commerce
- Napa Valley Chamber of Commerce
- Napa Valley Grape Growers Association
- Napa Valley Vintners Association
- Oakville Winegrowers
- Silverado Trail Wineries Association
- Stag's Leap District Winegrowers Association
- Wine Growers of Napa County
- Yountville Chamber of Commerce

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WINE INSTITUTE
THE VOICE FOR CALIFORNIA WINE

U.S. WINE EXPORTS						
Year to Date: January-December 2007 and 2006						
PARTNER COUNTRY <i>Ranked by 2007 Value</i>	Value (\$000)		Variance '07 v '06	Volume (Liters 000)		Variance '07 v '06
	2007	2006	Percent	2007	2006	Percent
EUROPEAN UNION TOTAL	\$474,359	\$486,980	(2.6%)	262,927	245,708	7.0%
Canada	\$234,408	\$190,478	23.1%	80,482	74,364	8.2%
Japan	\$63,205	\$72,564	(12.9%)	29,156	28,220	3.3%
Switzerland	\$26,127	\$14,490	80.3%	8,546	5,465	56.4%
Mexico	\$23,822	\$17,440	36.6%	13,334	9,632	38.4%
Korea, South	\$18,059	\$11,258	60.4%	6,792	4,332	56.8%
China	\$16,162	\$9,286	74.0%	5,694	3,474	63.9%
Singapore	\$8,755	\$5,830	50.2%	3,375	2,655	27.1%
Taiwan	\$7,768	\$7,316	6.2%	2,983	3,489	(14.5%)
Hong Kong	\$7,495	\$5,590	34.1%	3,867	3,086	25.3%
OTHER COUNTRIES	\$70,608	\$54,386	29.8%	36,020	24,051	49.8%
WORLD TOTAL	\$950,768	\$875,618	8.6%	453,176	404,476	12.0%

Source: U.S. Dept of Commerce, STAT-USA. Copyright: California Wine Export Program.
Preliminary numbers.
To convert liters to gallons, multiply liters by .26418
To convert liters to cases, divide liters by 9



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report – Public distribution

Date: 8/11/2008

GAIN Report Number: HK8020

Hong Kong

Market Development Report

Macau – A Booming Market for U. S. Exporters

2008

Approved by:

Anita Katial
American Consulate General

Prepared by:

Chris Li

Report Highlights:

U.S. exports of consumer-oriented agricultural products to Macau reached a record high of US\$9 million in 2007, up 26% over 2006 and are expected to reach US\$12 million in 2008. This surge is a result of Macau's growing casino tourism and demand for quality-reliable food products by hotel catering/restaurants. Macau hosted 27 million visitors in 2007, a growth of 127% over 2003 and set to reach a record of 32 million tourist arrivals this year. Macau's casino revenues reached US\$10.5 billion, compared to Las Vegas' US\$6.8 billion in 2007. Macau's HRI sector is expected to expand as more new casinos/resorts are set to open by 2010. In addition, Macau is deliberating a new policy to eliminate its tax on wine and beer, which is expected to stimulate direct exports of these products to Macau. Macau's total imports of consumer-oriented F&B products are expected to reach US\$500 million in 2008, 20% growth over 2007. As this market continues to develop, so will the growing opportunities for U.S. high quality foods and beverages. The top prospects for the Macau market include: wine, red meats, dairy products, confectionery products, fruit and vegetables. Wine and Gourmet Asia Show (Nov 5-7, 2008) provides an excellent opportunity for U.S. F&B exporters to penetrate this fast-growing market.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Hong Kong [HK1]
[HK]

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AGRICULTURAL EXPORTS TO MACAU

Direct Exports

Macau's spectacular economic growth, followed by the opening up of its gaming and tourism industries in 2002 and 2003 respectively, has created a fast-growing market for US F&B exports. For general background information on the Macau market, please refer to GAIN Report HK6027.

In 2007, worldwide direct exports of Consumer Oriented Agricultural Products¹ (COAP) to Macau reached US\$417 million, an increase of 34% over 2006. It is expected that the value will reach US\$500 million in 2008.

Table 1: Direct Exports of COAP to Macau (US\$ Million)

Supplying Countries	2006	2007	% Change	2008 *
Worldwide	312	417	34%	500
Hong Kong	184	258	40%	320
China	73	91	25%	100
Canada	20	23	15%	25
France	7	11	57%	15
United States	7	9	26%	12
From Top 5 Suppliers	291	392	35%	472
From Rest of World	21	25	19%	28

(Source: Global Trade Atlas)
(* Estimated figures for 2008)

Table 1 also shows that Macau's imports of COAP are concentrated on several major suppliers. The top 5 supplying countries supplied 94% of total COAP to Macau. The US is the 5th largest supplier of COAP to Macau. Value of direct exports of US COAP was US\$9 million and is expected to reach US\$12 million in 2008, as shown in Table 2 below:

Table 2: US Exports of COAP to Macau (US\$ Million)

HS Code	Description	2003	2004	2005	2006	2007	Growth 07/06	2008*
	Consumer Oriented Agriculture Total	0.68	0.69	0.83	7.19	9.07	26%	12.0
	Top 5 Categories							
2204	Wine Of Fresh Grapes; Grape Must Nesoi	0.31	0.16	0.14	1.01	5.65	457%	10.5
1601	Sausages, Similar Prdt Meat Etc Food Prep Of These	0.00	0.00	0.00	1.41	3.01	114%	0.5
0203	Meat Of Swine (Pork), Fresh, Chilled Or Frozen	0.00	0.00	0.00	0.05	0.16	222%	0.5
210690	Food Preparations Nesoi	0.04	0.16	0.36	0.11	0.07	-35%	0.1
2004	Vegetables Nesoi Prepared Or Preserv Nesoi, Frozen	0.34	0.27	0.02	0.00	0.07	NA	0.1
	Total of Top 5 Categories	0.68	0.60	0.52	2.59	8.96	247%	11.7
	Total of the Rest	0.01	0.09	0.31	4.60	0.11	-98%	0.3

(Source: World Trade Atlas)
(* Estimated figures for 2008)

Hong Kong is the largest supplier, supplying 62% of total COAP to Macau. As Hong Kong is not a food producing region, most of its exports of COAP to Macau are originated from other countries². A closer examination of the products Hong Kong re-exported to Macau can shed light on popular COAP items under large demand in Macau, as shown in Table 3:

¹ Consumer Oriented Agricultural Products refer to those high value products which are more-or-less ready to be used at consumers level (e.g. for sale at retail level, for use at restaurants). Examples include mainly those retail customers can find at supermarkets such as beef, sausages, packaged products, fresh fruits and vegetables...etc.

² For 2007, 84% of Hong Kong's exports of COAP to Macau are originated from other countries (source: World Trade Atlas)

Table 3: Hong Kong Re-export of COAP (WORLDWIDE) to Macau (US\$ Million)

HS Code	Description	2003	2004	2005	2006	2007	Growth 07/06	2008 *
	Consumer Oriented Agriculture Total	85.3	112.8	143.1	153.0	217.2	42.0%	300.0
0402	Milk And Cream, Concentrated Or Sweetened	12.3	13.7	17.9	21.5	24.9	16.0%	30.0
2204	Wine Of Fresh Grapes; Grape Must Nesoi	1.9	3.6	4.3	7.3	22.1	203.8%	30.0
1704	Sugar Confection (Incl White Chocolate), No Cocoa	5.2	7.5	10.7	12.2	15.6	27.5%	16.0
2008	Fruit, Nuts Etc Prepared Or Preserved Nesoi	1.7	4.0	6.9	7.5	14.6	95.3%	15.0
1806	Chocolate & Other Food Products Containing Cocoa	5.1	6.5	7.9	11.1	14.3	28.6%	15.0
0203	Meat Of Swine (Pork), Fresh, Chilled Or Frozen	4.0	6.1	5.9	5.2	10.7	104.6%	18.0
1905	Bread, Pastry, Cakes Etc; Comm Wafers, Emp Caps Etc	4.6	5.3	8.6	9.4	10.2	8.6%	11.0
0207	Meat & Ed Offal Of Poultry, Fresh, Chill Or Frozen	7.7	6.3	7.6	6.8	10.0	48.4%	16.0
2202	Waters, Sweetened Etc & Oth Nonalc Beverages Nesoi	5.6	8.1	10.4	7.4	9.0	21.0%	10.0
2103	Sauces & Prep; Mixed Condiments, Mustard Flour Etc	1.7	3.5	4.7	4.0	6.7	67.8%	7.0
1602	Prepared Or Preserv Meat, Meat Offal & Blood Nesoi	1.8	2.5	4.0	4.9	6.5	31.2%	7.0
210690	Food Preparations Nesoi	2.4	3.2	5.4	5.6	6.4	15.3%	8.0
2005	Vegetables Nesoi Prepared Etc Nesoi, Not Frozen	2.5	4.4	4.3	5.1	6.1	18.4%	6.5
1902	Pasta, Prepared Or Not; Couscous, Prepared Or Not	2.0	2.8	3.9	4.0	5.4	33.4%	8.0
0202	Meat Of Bovine Animals, Frozen	2.2	6.2	4.1	2.3	3.9	65.0%	7.0
2203	Beer Made From Malt	5.6	5.3	4.0	3.5	3.4	-2.4%	3.5
0206	Ed Offal, Bovine, Swine, Sheep, Goat, Horse, Etc.	1.3	1.8	2.6	1.7	3.3	88.1%	5.0
1601	Sausages, Similar Prdt Meat Etc Food Prep Of These	2.3	1.8	2.2	2.1	3.2	53.5%	4.5
1901	Malt Ext; Food Prep Of Flour Etc Un 40% Cocoa Etc	1.2	1.1	1.9	2.4	3.0	27.1%	3.2
0406	Cheese And Curd	1.1	1.6	1.7	2.2	2.9	34.7%	4.2
	Total of Top 20 Categories	71.9	95.4	119.0	126.1	182.0	44.3%	224.9
	Total of the Rest	13.4	17.4	24.1	26.8	35.2	31.1%	75.1

(Source: World Trade Atlas) (* Estimated figures for 2008)

Indirect Exports via Hong Kong

Direct exports of US F&B products to Macau are still small in size (US\$9 million in 2007), compared with its re-exports via Hong Kong (US\$23.6 million in 2007)³. The following table shows Hong Kong re-exports of COAP which are of US origin to Macau. This will further give an idea on what US F&B products are popular and in large demand in Macau:

Table 4: Hong Kong Re-export of COAP (of USA Origin) to Macau (US\$ Million)

HS Code	Description	2003	2004	2005	2006	2007	Growth 07/06	2008 *
	Consumer Oriented Agriculture Total	15.7	15.8	17.8	17.6	23.6	34.4%	29.0
	Top 20 Categories (based on 2007 figures)							
2005	Vegetables Nesoi Prepared Etc Nesoi, Not Frozen	1.4	2.4	2.8	3.3	3.2	-4.0%	3.0
1601	Sausages, Similar Prdt Meat Etc Food Prep Of These	2.1	1.6	1.8	1.3	2.4	80.8%	3.3
2008	Fruit, Nuts Etc Prepared Or Preserved Nesoi	0.5	0.7	1.1	1.4	1.7	20.0%	1.7
0207	Meat & Ed Offal Of Poultry, Fresh, Chill Or Frozen	3.6	1.4	2.0	1.3	1.6	18.5%	2.3
2103	Sauces & Prep; Mixed Condiments, Mustard Flour Etc	0.6	1.2	1.4	1.0	1.4	50.8%	1.8
210690	Food Preparations Nesoi	0.9	1.1	1.0	1.0	1.2	27.1%	1.5
0406	Cheese And Curd	0.3	0.5	0.5	0.8	1.0	32.8%	1.4
1704	Sugar Confection (Incl White Chocolate), No Cocoa	0.2	0.2	0.4	0.5	0.9	95.4%	1.0
0802	Nuts Nesoi, Fresh Or Dried	0.2	0.3	0.6	0.9	0.9	1.2%	1.0
1905	Bread, Pastry, Cakes Etc; Comm Wafers, Emp Caps Etc	0.1	0.4	0.5	0.6	0.8	50.2%	1.0
2104	Soups, Broths & Preps; Homogenized Comp Food Preps	0.6	0.6	0.6	0.7	0.7	5.1%	0.8
1602	Prepared Or Preserv Meat, Meat Offal & Blood Nesoi	0.2	0.2	0.3	0.4	0.6	63.8%	0.6
0805	Citrus Fruit, Fresh Or Dried	0.4	0.3	0.3	0.7	0.5	-27.2%	0.5
0407	Birds' Eggs, In The Shell, Fresh, Preserv Or Cookd	0.1	0.1	0.1	0.2	0.5	114.7%	0.5
1806	Chocolate & Other Food Products Containing Cocoa	0.3	0.4	0.4	0.3	0.4	26.0%	0.5
2204	Wine Of Fresh Grapes; Grape Must Nesoi	0.1	0.1	0.1	0.1	0.4	590.8%	0.5
2009	Fruit Juice Nc Frtd W Vit/Mnl Veg Juice No Sprit	0.2	0.2	0.3	0.3	0.4	29.0%	0.5
2004	Vegetables Nesoi Prepared Or Preserv Nesoi, Frozen	0.1	0.4	0.2	0.3	0.4	32.8%	0.5

³ Source: World Trade Atlas

230910	Dog And Cat Food, Put Up For Retail Sale	0.1	0.2	0.2	0.3	0.3	21.6%	0.4
0806	Grapes, Fresh Or Dried	0.1	0.2	0.4	0.3	0.3	12.0%	0.4
	Total of Top 20 Categories	12.1	12.4	15.0	15.4	19.6	27.4%	23.2
	Total of the Rest	3.6	3.5	2.8	2.2	4.0	83.3%	5.8

(Source: World Trade Atlas) (* Estimated figures for 2008)

CHARACTERISTICS OF THE MACAU F&B MARKET

Land Supply

Macau is a small city, size of which is only 28.2 sq. km (less than one-sixth the size of Washington D.C.). As land supply in Macau is very limited, Macau only has a modest container port with a throughput of 98,668 TEUs in 2007⁴, compared to Hong Kong's 24 million TEUs⁵ for the same period. Therefore, Macau importers normally work with middlemen in Hong Kong and Southern China to handle shipments and storage of their imports of F&B products⁶.

Strong Food Service Sector

Most F&B products are in huge demand because of significant growth in its tourism and gaming industries. As the local population is only around 530,000 and Macau residents' propensity to spend is less than that of its 30+ million tourists. Thus, F&B products catered to the food service sector have a larger potential than the retail sector⁷. The top prospects for growth in the Macau F&B market include: wine, red meats, dairy products, beverages, confectioneries and fruits and vegetables⁸.

LATEST DEVELOPMENT

1. The spectacular economic growth in the past few years has also brought along inflation, which stood at 5.6% in 2007, compared with only 4.4% in 2005⁹. High inflation increases cost of operation in the food service sector and may reduce their demand of better quality but higher-priced US F&B products. High inflation also reduces spending power of tourists and local consumers.
2. The Macau government also realized the challenges posed by the super growth in the gaming/tourism industries. In April 2008, the Macau government decided to stop approving new casino projects and halt issuing new gaming licenses¹⁰.
3. The Chinese government also helped cooling down the super growth in Macau's economy by restricting its residents to visit Macau. As of June 1, Guangdong (the southern Chinese province right adjacent to Macau) started tightening its visa applications from twice a month to once a month. Then on July 1, the province further tightened the rule to once every two months. In addition, from September 1 onwards, Chinese citizens may no longer be permitted to visit Macau through trips to Hong Kong using the same visa¹¹.

⁴ Source: Hong Kong In Figures (2008 Edition)

⁵ Source: Macau Department of Census and Statistics

⁶ Discussions with importers, restaurant owners and hotel operators in Hong Kong & Macau

⁷ Discussions with importers, restaurant owners and hotel operators in Hong Kong & Macau

⁸ Based on F&B exports to Macau and discussions with F&B importers and traders in Hong Kong & Macau

⁹ Source: Macau Department of Census and Statistics

¹⁰ Source: The Standard, July 23, 2008

¹¹ Source: International Gaming and Wagering Business, July 15, 2008

MARKET OUTLOOK & OPPORTUNITIES

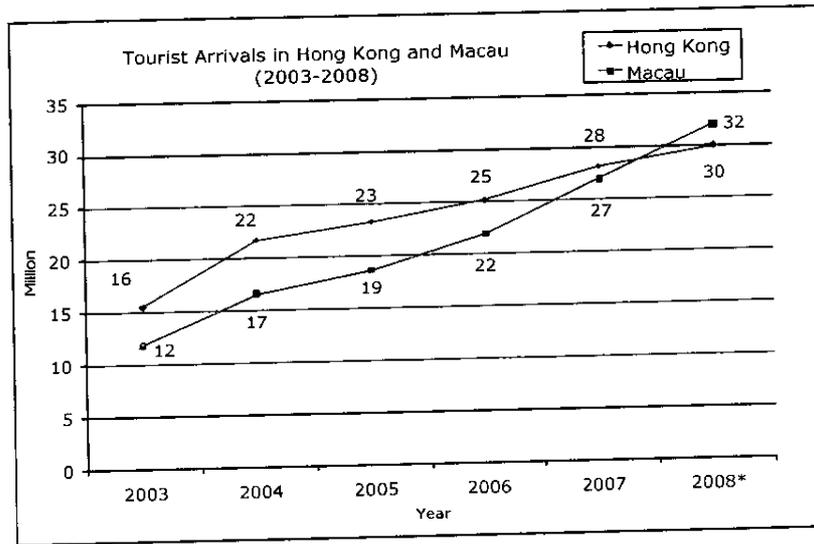
Continued Growth in Tourism

Despite Mainland China's measures to tighten its restrictions on Chinese tourists to Macau, Macau's tourism industry is expected to grow to 32 million visitors by the end of the year:

Table 5: Tourism Statistics in Macau

Tourism Statistics	2003	2007	Growth (07 vs 03)	2008 *
Rooms (Hotels & Guest Houses)	9,185	16,148	76%	18,000
Mainland Chinese Tourists (in Million)	5.74	14.87	159%	17.5
Total Visitor Arrivals (in Million)	11.89	26.99	127%	32

(Source: Macau Department of Census and Statistics) (* Estimated figures for 2008)



Continued Growth in Gaming Industry

As for the gaming industry, Macau earned US\$7.2 billion in casino revenues 2006, overtaking Las Vegas' US\$6.7 billion for the first time. The gap was further widened in 2007 where casino revenues in Macau reached US\$10.5 billion¹², compared with US\$6.8 billion¹³ in Las Vegas. The number of casinos has also grown steadily. The continued increase in the number of casinos and tourism projects will continue to attract tourists to visit Macau, and demand for more high quality foods and beverages in the years to come.

Table 6: Number of Casinos in Macau

Concessionaires	2003	2008
Sociedade de Jogos de Macau (SJM) (Subsidiary of STDM)	11	19
Galaxy Casino, S.A.	0	5
Venetian Macau, S.A.	0	2
Wynn Resorts (Macau) S.A.	0	1
Melco PBL Gaming (Macau) Ltd.	0	2
MGM Grand Paradise, S.A.	0	1
Total	11	30

(Source: Macau Gaming Inspection & Coordination Bureau)

¹² Source: Macau Gaming Inspection & Coordination Bureau

¹³ Source: Nevada Gaming Control Board

Economic Growth Continues

The continued growth of the gaming and tourism industries has a positive impact on Macau's overall economy, as reflected by the statistics¹⁴ below:

Table 7: Economic Growth in Macau

	2003	2004	2005	2006	2007	2008**
GDP (US\$ Billion) *	7.95	10.36	11.58	14.3	19.2	22.1
Growth (current year/last year)	NA	30%	12%	24%	34%	15%
GDP per capita (US\$)	17,697	22,283	23,717	28,436	36,357	42,000
Growth (current year/last year)	NA	26%	6%	20%	28%	16%

(* Calculation based on US\$1 = MOP 8) (** Estimated figures for 2008)

More Hotels in Future

Macau's HRI sector will continue to grow. In 2007, In addition to the 90 hotels¹⁵ that are in operation, more hotels will be completed. Below is a timeline of some selected hotels/resorts that are due to open in the later half of 2008 through 2010¹⁶:

2008	Four Seasons Hotel
	Four Seasons Private Residences
2009	Shangri-La Hotel
	Traders Hotel
	Sheraton Hotel
	St Regis Hotel
	St Regis Macao Cotai Strip Residences
2010	Hilton Macao
	Conrad Macao
	Conrad Private Residences
	Holiday Inn Macao
	InterContinental Macao
	Residences at the InterContinental Macao
	Fairmont Macao
	Swissotel Macao
	Raffles Macao
	Raffles Macao Residences

The growing number of hotels will be able to accommodate the larger demand of foods and beverage from the 30+ million tourists visiting Macau and also the growing number of staff serving at hotels and casinos, which employed close to 40% of Macau's total employed population¹⁷.

Price Competitiveness of US Products Continues

Like Hong Kong, Macau currency (MOP) is pegged with the US dollar (US\$1=MOP8). This makes cost and profit of exporting to Macau very easy to calculate and predict. In addition, with the weak US dollar, US F&B products are more price-competitive and price-attractive.

¹⁴ Source: Macau Government Department of Census and Statistics

¹⁵ Estimated figure based on data from the Macau Government Department of Census and Statistics

¹⁶ Source: Cotai Casino News

¹⁷ Source: Macau Government Department of Census and Statistics

Favorable Policies Underway

To reduce inflation and enhance the trade competitiveness of Macau, the Macau government is deliberating a new policy to abolish the tax on wine, beer and gasoline¹⁸. The abolishment of the tax on wine and beer will help Macau maintain its competitiveness in the trade and attract more direct exports of wine and beer to Macau.

More Direct Imports

As the demand for food products grows, Macau importers that used to buy products from Hong Kong distributors are now considering buying directly from suppliers. One major food importer has already built a larger warehouse to cater for the increase in demand for food and beverage products from both the retail and HRI sector. In addition to strengthening its cooperation with ports in Hong Kong and Southern China, Macau is planning to develop its second container port to handle the increase in trade volume¹⁹. Furthermore, the large resort/casino operations report that they too are investigating opportunities to expand warehouse/storage facilities at the port, as well as build new facilities to meet the anticipated growth in the F&B sector.

Diversification by the Macau Government

The Macau government has realized its heavy reliance on the tourism and gaming industries. As a result, it is now moving to promote Macau as a regional center for Meetings, Incentives, Conventions and Exhibitions (M.I.C.E.). The diversification strategy will increase the breadth for Macau's long-term economic growth²⁰ as Macau can offer more competitive rates in most cases, than its neighbors.

Macau – Gateway to China

Macau is a gateway to China, particularly to the western part of its adjacent Guangdong province. Given the close economic ties between Macau and China, US exporters who find it difficult to sell to China directly may first sell to middlemen in Macau who have more experience in exporting to China. In addition, like Hong Kong, Macau has signed the Closer Economic Partnership Arrangement (CEPA) with China. CEPA provides liberalization measures on the trade of goods and services entering the mainland and promising benefits for Macau's economy.

Long Term Developments in Macau

The construction work for the bridge linking up Hong Kong & Macau with their neighboring cities of Zhuhai and Shenzhen in southern China is set to commence in 2009 and expected to be completed in 2013²¹. The US\$4 billion project is expected to boost the ties in trade and tourism between Macau, Hong Kong and their neighboring cities of Zhuhai, Shenzhen and the rest of Guangdong province. This will be another factor supporting the continued and long-term growth of Macau.

¹⁸ Source: *Headline News*, August 8, 2008

¹⁹ Source: *Macau Port S.A.*

²⁰ Source: *Macau Trade and Investment Promotion Institute (IPIM)*

²¹ Source: *The Standard*, August 3, 2008

HOW TO GAUGE THE OPPORTUNITIES

For new-to-market companies that wish to enter the Macau market, the following approaches are recommended:

- Exhibiting in a trade show: There is a trade show in Macau for U.S. food and beverage exporters to showcase their high quality products to buyers from Macau, Hong Kong, China and the region:

Wine and Gourmet Asia (Nov 5-7, 2008): <http://www.wineandgourmetasia.com>

- One-on-one meetings with potential importers: Most importers in Macau are interested in meeting new-to-market exporters in a private environment. A list of food importers in Macau is available from the Agricultural Trade Office.

USEFUL CONTACTS

Post Contact

Foreign Agricultural Service (FAS)
Home Page: <http://www.fas.usda.gov>

Agricultural Trade Office
American Consulate General
18/F, St. John's Building, 33 Garden Road
Central, Hong Kong
Tel: (852) 28412350
Fax: (852) 28450943
Email: atohongkong@fas.usda.gov
Website: <http://www.usfoods-hongkong.net>

The American Chamber of Commerce in Macau

Alameda Dr. Carlos d'Assumpção No 263,
Edif. China Civil Plaza, 20º andar,
Macao SAR
Tel: (853) 2872 8212
Fax: (853) 2872 7123
Email: alan.chan@amcham.org.mo
Website: <http://www.amcham.org.mo/>

Macau Government Tourist Office

Address: Alameda Dr. Carlos d'Assumpcao, nºs 335-341
Edifício "Hot Line", 12º andar, Macau
Tel: (853) 28315566
Fax: (853) 28510104
Tourist Hotline: (853) 28333000
Email: mgto@macautourism.gov.mo
Website: <http://www.macautourism.gov.mo>

Macau Hotel Association

Address: Rua Luis Gonzaga Gomes S/N, BL IV,
R/C Centro Actividades Turisticas, Room B, Macau
Tel: (853) 28703416
Fax: (853) 28703415
Email: mhacmo@macau.ctm.net
Website: <http://www.macauhotel.org>

Association of Macau Tourist Agents

Address: Rua de Nagasaki, Edif. Xin Hua, 10 andar, NAPE, Macau
Tel: (853) 28388166
Fax: (853) 28330890
Email: amta@macau.ctm.net

Association of Retailers & Tourism Services

Address: Avenia da Amizade, 555, Macau Landmark, Suite 708, Macau
Tel: (853) 28786223
Fax: (853) 7975335

Macau Hotel Trade Commercial Association

Address: Travessa da Praia Grande 10, Nga Yuen Building, 1st Floor - B, Macau
Tel: (853) 28376365
Fax: (853) 28376365
Email: mhia@macau.ctm.net

Macau Travel Agency Association

Address: Avenida da Amizade, No.1023, Nam Fong Building
2nd Floor B-D, Macau
Tel: (853) 28701913 / 28703429
Fax: (853) 28702034 / 28701083
Email: myt@macau.ctm.net

Travel Industry Council of Macau

Address: Avenida da Amizade, 555, 21/Floor, Macau Landmark, Macau
Tel: (853) 28787333
Fax: (853) 28787933
Email: adagen@macau.ctm.net
Website: <http://www.ada.com.mo/>

Association of Macau Restaurant Merchants

Address: Alameda Dr. Carlos d'Assumpcao, nºs 335-341
8º andar, Macau
Tel: (853) 28575765
Fax: (853) 28511585
Email: amrm@macau.ctm.net

Macao Chamber of Commerce

Address: Rua de Xangai 175, Ed. ACM. 5, Macau
Tel: (853) 576833
Fax: (853) 594513
Email: acmmco@macau.ctm.net
Website: <http://www.acm.org.mo/>

Napa, California

1014 Bayview Avenue, Napa

Napa Valley Carneros Appellation



Price: \$1,295,000

Property Type: Land (Acreage), Vineyard

County: Napa

Wine Region: Napa Valley

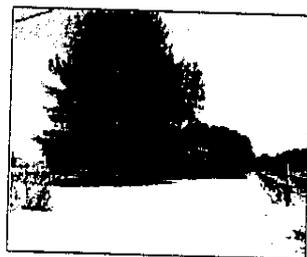
Bedrooms:

Baths:

Home sq. ft.:

Lot Size: 5.85 acres

View: Viney



Lovely level 5.85 acres planted to Chardonnay, the perfect grape for this appellation. Planted and trellised, 5'x10' spacing, drip irrigation. Two of Napa's finest Sparkling wine producers purchased the crop in '07. Also a scenic building site, surrounded by tall redwood trees, and overlooking Carneros.



Napa, California

Napa Valley Vineyard, Napa, CA

Napa Valley Vineyard



Price: \$2,200,000

Property Type: Residential, Rural Residential, Land (Acreage), Vineyard

County: Napa

Wine Region: Napa Valley

Bedrooms:

Baths:

Home sq. ft.:

Lot Size: 10 acres

View: Vineyard

10 level acres of Chardonnay vineyard in a beautiful country setting with room to build a home. Only 5 minutes to city of Napa, this property maintains its country feeling. Also for sale is an adjacent 5 acre parcel with separate access which includes a home and a 3 acre Merlot vineyard for \$1,400,000.

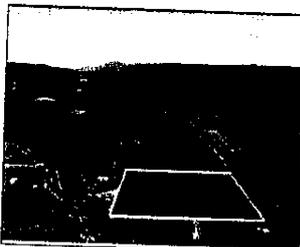
Beautiful Napa Valley, Napa County Real Estate listings and properties for sale, vineyards, wineries & country estates, ranches and acreage and affordable homes.

Napa, California

Villa Mille Rose, Oakville, CA

MLS #

Villa Mille Rose Vineyard is located in Oakville one of Napa Valley's most prestigious Appellations.



View of vineyard outlined in white

Price: \$10,975,000

Property Type: Land (Acreage), Vineyard, Investment

County: Napa

Wine Region: Napa Valley

Bedrooms:

Baths:

Home sq. ft.:

Lot Size: 39± acres

View: Vineyard, Valley

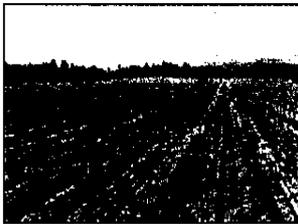


View

Villa Mille Rose Vineyard is located in one of Napa Valley's most prestigious Appellations. Comprised of 39± total acres including 35± planted to Chardonnay and Merlot varietals. The land is graced by dramatic views of the surrounding valley, vineyards and Mount St. Helena. Neighboring Oakville Appellation vineyards and wineries include Silver Oak, Opus One, Screaming Eagle and Swanson Vineyards... to name a few. Easily accessible from both Highway 29 and the Silverado Trail. A truly one of a kind offering.

3165 Silverado Trail Napa, CA

Silverado Trail Vineyard: 49.05± Acre Parcel



View of vineyard

Price: \$8,950,000

Property Type: Residential, Land (Acreage),
Vineyard

County: Napa

Wine Region: Napa Valley

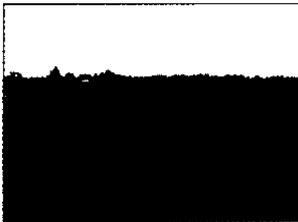
Bedrooms:

Baths:

Home sq. ft.: 2,192±sf

Lot Size: 49.05± acres

View: Vineyard, Valley



Vineyard view

49.05± Acre Parcel



Sunset over farmhouse

IMPROVEMENTS:

Property Zoned for Winery Use

2,192±sf Original Farm House

1,000±sf Secondary Residence

Property Suitable for Family Compound

Variety of Barns and Outbuildings



Lake view at sunset

VINEYARD:

Approximately 31.5 Planted Acres

Varietals: Merlot, Zinfandel, Petit Verdot & Syrah

Additional 10.5 Plantable Acres

Oak Knoll Appellation in Napa Valley

Riparian Water Rights to Napa River

Large Irrigation Holding Pond

LIMITED LIABILITY COMPANY

OPERATING AGREEMENT

FOR

**CALIFORNIA WINERIES & VINEYARDS, LLC
Napa Vineyards Fund**

A Manager-Managed Limited Liability Company

THIS LIMITED LIABILITY COMPANY AGREEMENT (the Agreement) is made and entered into this _____ day of _____, 2008 by California Wineries & Vineyards, LLC and each individual or business entity later subsequently admitted to the Company. These individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member."

[Insert Member names]

As of this date the Members, through their agent, Natural Econometric Incorporated have formed the California Wineries & Vineyards Limited Liability Company named above under the laws of the State of California. Accordingly, in consideration of the conditions contained herein, they agree as follows:

ARTICLE I

Company Formation and Registered Agent

1.1 FORMATION. The Members hereby form a Limited Liability Company ("Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. A Certificate of Formation shall be filed with the Secretary of State.

1.2 NAME. The name of the Company shall be: CALIFORNIA WINERIES & VINEYARDS, L.L.C.

1.3 REGISTERED OFFICE AND AGENT. The location of the registered office of the Company shall be:

California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
177 Bovet Road, Suite 600
San Mateo, CA 94402

(b)(4)



1.5 CONTINUANCE OF COMPANY. Notwithstanding the provisions of ARTICLE 1.4, in the event of an occurrence described in ARTICLE 1.4(c), if there are at least two remaining Members, said remaining Members shall have the right to continue the business of the Company. Such right can be exercised only by the unanimous vote of the remaining Members within ninety (90) days after the occurrence of an event described in ARTICLE 1.4(c). If not so exercised, the right of the Members to continue the business of the Company shall expire.

1.6 BUSINESS PURPOSE. The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed under the Limited Liability statutes of the State of California.

1.7 PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Company shall be:

177 Bovet Road, Suite 600
San Mateo, CA 94402

or at such other place as the Managers from time to time select.

(b)(4)



1.9 ADMISSION OF ADDITIONAL MEMBERS. Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company's Napa Vineyards Fund through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

ARTICLE 2
Capital Contributions

2.1 INITIAL CONTRIBUTIONS. Each Member initially shall contribute to the Company capital as described in Exhibit 3 attached to this Agreement. The agreed value of is [REDACTED] investment plus [REDACTED] administration fee per member. (b)(4)
(b)(4)

2.2 ADDITIONAL CONTRIBUTIONS. Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's Napa Vineyards Fund.

ARTICLE 3
Profits, Losses and Distributions

3.1 PROFITS/LOSSES. For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Exhibit 2 as amended from time to time in accordance with Treasury Regulation 1.704-1.

(b)(4)



ARTICLE 4
Management

4.1 MANAGEMENT OF THE BUSINESS. The name and place of residence of each Manager is attached as Exhibit 1 of this Agreement. By a vote of the Members holding a majority of the capital interests in the Company, as set forth in Exhibit 2 as amended from time to time, shall elect so many Managers as the Members determine, but no fewer than one, with one Manager elected by the Members as Chief Executive Manager.

4.2 MEMBERS. The liability of the Members shall be limited as provided under the laws of the California Limited Liability statutes. Members that are not Managers shall take no part whatever in the control, management, direction, or operation of the Company's affairs and shall have no power to bind the Company. The Managers may from time to time seek advice from the Members, but they need not accept such advice, and at all times the Managers shall have the exclusive right to control and manage the Company. No Member shall be an agent of any other Member of the Company solely by reason of being a Member.

4.3 POWERS OF MANAGERS. The Managers are authorized on the Company's behalf to make all decisions as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of their management powers, the Managers are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing.

4.4 CHIEF EXECUTIVE MANAGER. The Chief Executive Manager shall have primary responsibility for managing the operations of the Company and for effectuating the decisions of the Managers.

4.5 NOMINEE. Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.6 COMPANY INFORMATION. Upon request, the Managers shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.7 EXCULPATION. Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the Members.

4.8 INDEMNIFICATION. The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.9 RECORDS. The Managers shall cause the Company to keep at its principal place of business the following:

- (a) a current list in alphabetical order of the full name and the last known street address of each Member;
- (b) a copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- (c) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;
- (d) copies of any financial statements of the limited liability company for the three most recent years.

ARTICLE 5 Compensation

5.1 MANAGEMENT FEE. Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services.

5.2 REIMBURSEMENT. The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

ARTICLE 6

Bookkeeping

6.1 BOOKS. The Managers shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Managers shall select. The company's accounting period shall be the calendar year.

6.2 MEMBER'S ACCOUNTS. The Managers shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:

- (a) any additional capital contribution made by him/her;
- (b) credit balances transferred from his distribution account to his capital account; and decreased by:
 - (a) distributions to him/her in reduction of Company capital;
 - (b) the Member's share of Company losses if charged to his/her capital account.

6.3 REPORTS. The Managers shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

ARTICLE 7

Transfers

7.1 AGREEMENT TO REFRAIN FROM RESALE. Members will not transfer or attempt to transfer any of the Membership Interests or any interest therein (1) to any person who is not a bona fide resident of California for a period of at least five (5) years after the completion of the offering, or (2) in any manner or at any time other than as allowed by the regulations of the California Department of Corporations

Signed and Agreed this _____ day of _____ 20____.

Member _____ Member _____

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

FOR CALIFORNIA WINERIES & VINEYARDS, L.L.C. - NAPA VINEYARDS FUND

LISTING OF MANAGERS

By a majority vote of the Members the following Managers were elected to operate the Company pursuant to ARTICLE 4 of the Agreement:

Natural Econometric Incorporated

Chief Executive Manager

Christina C. Lau

Printed Name

177 Bovet Road, Suite 600

Address Line 1

San Mateo, CA 94402

Address Line 2

Title: Operations Manager

Printed Name: Chak Kwan Wong

177 Bovet Road, Suite 600

Address Line 1
San Mateo, CA 94402

Address Line 2

The above listed Manager(s) will serve in their capacities until they are removed for any reason by a majority vote of the Members as defined by ARTICLE 4 or upon their voluntary resignation.

Signed and Agreed this _____ day of _____, 20__.

Member

Member

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS, L.L.C. - NAPA VINEYARDS FUND
LISTING OF MEMBERS**

As of the _____ day of _____, 20__ the following is a list
of Members of the Company:

NAME: ADDRESS:

Authorized by Member(s) to provide Member Listing as of this ____ day of _____,
20__

Member

Member

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR CALIFORNIA WINERIES & VINEYARDS, L.L.C. - NAPA VINEYARDS FUND
CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE 2, the Members' initial contribution to the Company capital is stated to be \$_____. The description and each individual portion of this initial contribution is as follows:

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

SIGNED AND AGREED this ____ day of _____, 20____.

Member

Member

SUBSCRIPTION AGREEMENT

of

CALIFORNIA WINERIES & VINEYARDS, LLC

(A California limited liability company)

Napa Vineyards Fund

Pursuant to this Subscription Agreement of CALIFORNIA WINERIES & VINEYARDS, LLC (the "LLC"), the undersigned EB-5 Immigrant Investor ("Investor") hereby subscribes to become a Member in the LLC's NAPA VINEYARDS FUND and to purchase a Membership Interest in the LLC by investing the amount indicated herein, all in accordance with the terms and conditions of this Subscription Agreement, the Limited Liability Company Operating Agreement of CALIFORNIA WINERIES & VINEYARDS, LLC (the "Operating Agreement"). All capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Offering Circular.

1. **SUBSCRIPTION FOR MEMBERSHIP INTERESTS.** Investor hereby subscribes for a Membership Interest in the LLC as follows:

(b)(4)

PLEASE MAKE CHECK PAYABLE TO CALIFORNIA WINERIES & VINEYARDS, LLC, AND MAIL THIS COMPLETED AND SIGNED SUBSCRIPTION AGREEMENT TO CALIFORNIA WINERIES & VINEYARDS, LLC, C/O NATURAL ECONOMETRIC INC., 177 BOVET ROAD, SAN MATEO, CA 94402.

(b) EXACT NAME OF INVESTOR _____

(c) **FORM OF OWNERSHIP:** Please indicate the form of ownership in which INVESTOR will hold title to the Membership Interest. INVESTOR should seek the advice of an attorney in deciding because different forms of ownership can have varying gift tax, estate tax, income tax and other consequences. Check one:

- () INDIVIDUAL OWNERSHIP
- () COMMUNITY PROPERTY
- () JOINT TENANTS WITH RIGHT OF SURVIVORSHIP
- () TENANTS IN COMMON
- () LIMITED PARTNERSHIP

(d) INVESTOR'S ADDRESS: _____

INVESTOR'S PHONE NUMBER: _____
 INVESTOR'S EMAIL: _____

2. **INVESTOR SUITABILITY.** Investor represents and warrants as follows:

(a) If Investor is an individual, then he or she (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of US\$1,000,000; or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of US\$250,000 and an annual gross income of \$350,000 for the two (2) recent years and will continue to have such income for the next five (5) years.

(b) If Investor is a trust, corporation, or other entity, then the principal immigrant investor: (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of US\$1,000,000; or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of US\$250,000 and an annual gross income of \$350,000 for the two (2) recent years and will continue to have such income for the next five (5) years.

3. **ACKNOWLEDGEMENT AND AGREEMENT.**

(a) Investor acknowledges and agrees that this subscription cannot be withdrawn, terminated, or revoked. Investor agrees to become a Member of the LLC and to be bound by all the terms and conditions of the Operating Agreement and Offering Circular. This subscription shall be binding on the heirs, executors, administrators, successors and assigns of Investor. This subscription is not transferable or assignable by Investor.

(b) Investor acknowledges and agrees that this subscription may be rejected, in whole or in part, by the Manager in its sole and absolute discretion. If this subscription is rejected, in whole or in part, or if the Minimum Offering Amount is not raised, then Investor's funds shall be returned, in whole or in part, without interest. This subscription shall be binding on the LLC only upon acceptance by the Manager.

(c) Investor acknowledges and agrees that neither the execution, nor the acceptance of this Subscription Agreement, makes Investor a Member of the LLC. Investor will become a Member only when Investor's funds are transferred to the LLC's Napa Vineyards Fund's bank account and a Membership Interest is issued to Purchaser. Until that time, Investor shall have only the rights set forth in this Subscription Agreement.

(d) Investor acknowledges and agrees that Purchaser's rights and responsibilities will be governed by the terms and conditions of this Subscription Agreement, the Operating Agreement, and the Offering Letter. The LLC will rely upon the information provided in this Subscription Agreement and Due Diligence Questionnaire to confirm that Investor is qualified to invest in the LLC's Napa Vineyards Fund.

4. **REPRESENTATIONS AND WARRANTIES.** Investor, on behalf of himself, herself, or the entity or trust purchasing the Membership Interest, represents, warrants, and agrees as follows:

(a) Investor has received and read the Offering Letter and its exhibits, and is thoroughly familiar with the proposed business, operations, and financial condition of the LLC. Investor has relied solely upon the Offering Letter and independent investigations made by Investor or Investor's representative with respect to the investment in the LLC's Napa Vineyards Fund. No oral or written representations beyond the Offering Letter have been made to me, or relied upon by me.

(b) Investor has read and understands the Operating Agreement and how an LLC functions as a corporate entity. By purchasing the Membership Interest and executing this Subscription Agreement, Investor hereby agrees to the terms and provisions of the Operating Agreement and the Offering Circular.

(c) Investor understands that the LLC has limited financial and operating history. Investor has been furnished with such financial and other information concerning the LLC, its Manager, and its business, as Investor considers necessary in connection with the investment in the Membership Interests. Investor has been given the opportunity to discuss any questions and concerns with the LLC.

(d) Investor is purchasing the Membership Interest for Investor's own account for immigration and investment purposes, and not with a view or intention to resell or distribute the same. Investor has no present intention, agreement, or arrangement to divide any participation with others or to resell, assign, transfer, or otherwise dispose of all or part of the Membership Interest.

(e) Investor, or Investor's investment advisors, has such knowledge and experience in financial and business matters that enables Investor to utilize the information made available to evaluate the risks of this prospective investment and to make an informed investment decision. Investor has been advised by the LLC to consult Investor's own attorney concerning this investment, to consult Investor's own immigration attorney concerning the EB-5 regional center immigration procedure and to consult with independent tax counsel regarding the tax considerations of participating in the LLC's Napa Vineyards Fund.

(f) Investor has carefully reviewed and understands the risks of investing in the LLC, including those set forth in the Offering Letter. Investor has carefully evaluated Investor's financial resources and investment position, and acknowledges that Investor is able to bear the economic risks of this investment. Investor further acknowledges that Investor's financial condition is such that Investor is not under any present necessity or constraint to dispose of the Membership Interest to satisfy any existent or contemplated debt or undertaking. Investor has adequate means of providing for Investor's current needs and possible contingencies, have no need for liquidity in Investor's investment, and can afford to lose some or all of Investor's investment.

(g) Investor has been advised that the Membership Interests have not been registered under the Securities Act of 1933, as amended.

(h) Investor represents to the LLC and the other Members that (a) Investor is acquiring the Membership Interest in the LLC's Napa Vineyards Fund for immigration and investment purposes for Investor's own account and not with a view to its sale or distribution and (b) neither the Manager nor any other Member has made any guaranty or representation upon which Investor has relied upon concerning the possibility or probability of profit or loss resulting from an investment in the LLC's Napa Vineyards Fund.

(i) Investor will notify the Manager and the LLC immediately of any material change in any statement or response made in this Subscription Agreement before acceptance by the Manager of this

subscription, and if accepted, during the term that Investor is a Member of the LLC's Napa Vineyards Fund.

(j) Investor has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment, or Investor has consulted with Investor's investment advisors who have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of prospective investment.

(k) Investor is able to bear the economic risk of an investment in the LLC for an indefinite period of time and understands that an investment in the LLC's Napa Vineyards Fund is illiquid and may result in a complete loss of such investment.

(l) If Investor is an individual, then he or she must be a bona fide resident or intending resident of California.

5. **AGREEMENT TO REFRAIN FROM RESALE.** Investor will not transfer or attempt to transfer any of the Membership Interests or any interest therein (1) to any person who is not a bona fide resident of California for a period of at least five (5) years after the completion of the offering, or (2) in any manner or at any time other than as allowed by the regulations of the California Department of Corporations.

6. **INVESTOR PARTICIPATION IN BUSINESS.** Investor agrees that throughout his/her terms of investment into the Company and the wineries and/or vineyards of his/her choice, he/she will buy 1000 cases of the wine produced by his/her invested wineries then export and sell the wine in his/her home country.

7. **POWER OF ATTORNEY.**

(a) Investor irrevocably constitutes and appoints the Manager with full power of substitution as his, her or its true and lawful attorney-in-fact and agent, to execute, acknowledge, verify, swear to, deliver, record, and file, in Investor's name or his, her, or its assignee's name, place, and stead, all instruments, documents, and certificates that may, from time to time, be required by the laws of the United States of America, the State of California, and any other state in which the LLC conducts or plans to conduct business, or any political subdivision or agency of the government, to effectuate, implement, and continue the valid existence of the LLC, including, without limitation, the power of attorney and authority to execute, verify, swear to, acknowledge, deliver, record and file the following:

(i) The Operating Agreement, the Articles of Organization, and all other instruments (including amendments) that the Manager deems appropriate to form, qualify or continue the LLC as a limited liability company in the State of California and all other jurisdictions in which the LLC conducts or plans to conduct business;

(ii) All instruments that the Manager deems appropriate to reflect any amendment to the Operating Agreement, or modification of the LLC, made in accordance with the terms of the Operating Agreement;

(iii) A fictitious business name certificate and such other certificates and instruments as may be necessary under the fictitious or assumed name statute from time to time in effect in the State of California and all other jurisdiction in which the LLC conducts or plans to conduct business;

(iv) All instruments relating to the admission of any additional or substituted Member; and

(v) All conveyances and other instruments that the Manager deems appropriate to reflect the dissolution and termination of the LLC pursuant to the terms of the Operating Agreement.

(b) The power of attorney granted is a special power of attorney and shall be deemed to be coupled with an interest, shall be irrevocable, shall survive the death, dissolution, bankruptcy, or legal disability of Investor, and shall extend to Investor's heirs, successors, and assigns. Investor agrees to be bound by any representations made by the Manager acting in good faith under such power of attorney, and each Member waives any and all defenses that may be available to contest, negate, or disaffirm any action of the Manager taken in good faith under such power of attorney.

8. **IDENTIFYING INFORMATION:**

(a) **FOR INDIVIDUAL INVESTOR ONLY:**

Name of **Investor**: _____

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

If applicable, please enter a State for the following:

Residence other than above: _____ Registered to vote: _____

Driver's license: _____ State income taxes: _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service

(List all professional licenses, directorships and elected positions in government service):

Name of Spouse: _____

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

Residence Address: _____

Residence Phone Number: (_____) _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service
(List all professional licenses, directorships and elected positions in government service):

9. INVESTMENT EXPERIENCE OF INVESTOR.

Has Investor had the following investment experience. Check all that apply:

_____ Stock Market investing for at least two (2) years in self-managed accounts.

_____ Real Estate investing for at least two (2) years.

- _____ Investing in trust deeds for at least two (2) years.
 _____ Bond investing in self-managed accounts.
 _____ Mutual Fund investing.

10. **INVESTMENT EVALUATION.** Investor agrees and understands that in making this investment, Investor: (a) must have sufficient knowledge and experience in such financial and business matters to be capable of evaluating the merits and risks of a purchase of the Membership Interest; or (b) must retain the services of an "Investment Advisor" (who may be an attorney, accountant, or other financial adviser unaffiliated with, and who is not compensated by, the LLC or any affiliate or selling agent of the LLC, directly or indirectly) for the purpose of aiding in the evaluation of this particular transaction.

Do you intend to have an "Investment Advisor" in order to meet this requirement?

Yes _____ (If yes, the information below must be completed)
 No _____

Name of Advisor(s) and Relationship: _____
 Advisor's Address and Phone Number: _____

Qualifications of the Advisor(s): _____

11. **MISCELLANEOUS.**

(a) **CHOICE OF LAWS.** This Subscription Agreement will be governed by and construed in accordance with the laws of the State of California.

(b) **ENTIRE AGREEMENT.** This Subscription Agreement constitutes the entire agreement between the parties and may be amended only by written agreement between all parties.

(c) **BINDING ARBITRATION.** Any dispute under this Subscription Agreement will be resolved under the then prevailing rules of the American Arbitration Association in the county of the LLC's principal place of business.

(d) **TERMINATION OF AGREEMENT.** If this subscription is rejected by the LLC, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party and the LLC shall promptly return the funds delivered with this Subscription Agreement without interest.

(e) **TAXES.** The discussion of the federal income tax considerations arising from investment in the LLC, as set forth in the Offering Letter, is general in nature and the federal income tax considerations to Investor of investment in the LLC will depend on individual circumstances. The Offering Letter does not discuss state income tax considerations, which may apply to all or substantially all Purchasers. There can be no assurance the Internal Revenue Code or the Regulations under the Code will not be amended in a manner adverse to the interests of Investor or the LLC.

(f) **DULY AUTHORIZED.** If Investor is a corporation, partnership, trust, or other entity, the individuals signing in its name are duly authorized to execute and deliver this Subscription Agreement

on behalf of such entity, and the purchase of the Membership Interests by such entity will not violate any law or agreement by which it is bound.

(g) **SUCCESSORS.** The representations, warranties and agreements contained in this Subscription Agreement shall be binding on Investor's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the LLC and its directors and officers. If Investor is more than one person, the obligations of all of them shall be joint and several, and the representations and warranties contained herein shall be deemed to be made by and to be binding upon each such person and his, her, or its, executors, administrators, successors, and assigns.

(h) **INDEMNIFICATION.** Investor shall indemnify and defend the LLC and the Manager from and against any and all liability, damage, cost, or expense (including attorneys' fees) arising out of or in connection with: (i) any inaccuracy in, or breach of, any of Investor's declarations, representations, warranties or covenants set forth in this document or any other document or writing delivered to the LLC; (ii) any disposition by Investor of any Membership Interests in violation of this Subscription Agreement, the Operating Agreement or applicable law; or (iii) any action, suit, proceeding or arbitration alleging any of the foregoing.

[Signature Page to Subscription Agreement follows]

[Signature Page to Subscription Agreement]

THE SALE OF LIMITED LIABILITY COMPANY INTERESTS COVERED BY THIS OFFERING CIRCULAR HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS SET FORTH IN SECTION 3(a)(11) OF THE ACT AND RULE 147 THEREUNDER RELATING TO INTRASTATE OFFERINGS. ACCORDINGLY, THESE MEMBERSHIP INTERESTS ARE BEING OFFERED SOLELY TO CERTAIN SELECTED RESIDENTS OF THE STATE OF CALIFORNIA AND EB-5 REGIONAL CENTER IMMIGRANT INVESTOR, AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON. FURTHERMORE, FOR A PERIOD OF FIVE (5) YEARS FROM THE COMPLETION OF THIS OFFERING, NO MEMBERSHIP INTERESTS MAY BE SOLD OR OTHERWISE TRANSFERRED EXCEPT TO RESIDENTS OF THE STATE OF CALIFORNIA.

BY EXECUTING THIS SUBSCRIPTION AGREEMENT, INVESTOR HEREBY AGREES, UPON SUBMISSION AS A MEMBER INTO THE LLC'S NAPA VINEYARDS FUND, TO BE LEGALLY BOUND BY THE TERMS OF THE OPERATING AGREEMENT AND OFFERING LETTER. FOR GOOD AND VALID CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Purchaser, intending to be legally bound, has executed this Subscription Agreement as of _____, 20__.

INVESTOR:

Name of Investor

Investor Signature

ACCEPTANCE: (NOT VALID UNTIL ACCEPTED BY MANAGER)

ACCEPTANCE

The Manager of the LLC has accepted this Subscription Agreement as of _____,
20____.

NATURAL ECONOMETRIC INCORPORATED
a California corporation, Manager

By: _____
Name: Christina C. Lau
Title: Chief Executive Manager

(b)(4)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), is made and entered into as of _____, _____, by and among California Wineries & Vineyards LLC, a California limited liability corporation (the “LLC”), _____, a national of _____, (“Investor”), and _____ as Escrow Agent hereunder (“Escrow Agent”).

Background

The LLC and Investor have agreed to enter into a Subscription Agreement sheet (the “Subscription Agreement”) for the purchase of a unit of Member Interest in the amount of [REDACTED] of the LLC’s Napa Vineyards Fund (the “Fund”). Pursuant to the Subscription Agreement, Investor is required to deliver [REDACTED] to Escrow Agent at the time Investor executes the Subscription Agreement. In addition, the Investor will deliver an administration fee of [REDACTED] (“Administration Fee”) into the escrow account to cover all expenses related to the escrow account, initial operation of the Fund, any marketing, legal and accounting (excluding immigration fees) fees. The LLC and Investor believe the transactions contemplated by the Securities Purchase Agreement will qualify Investor to file an Immigration Petition by an Alien Entrepreneur on Form I-526 pursuant to 8 CFR 204.6 (the “Petition”). The Subscription Agreement will be executed when the Petition has been prepared but prior to its filing with the U.S. Citizenship and Immigration Service (“USCIS”). The Escrow Agent shall accept, hold, and disburse the Escrow Funds deposited with Escrow Agent in accordance with the terms of this Escrow Agreement.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Definitions.

The following terms shall have the following meanings when used herein:

“Cash Investment” means [REDACTED]

“Cash Investment Instrument” means a wire transfer originated by Investor and credited to the “California Wineries & Vineyards – Napa Vineyards Fund & [Name of Investor] Escrow Account” in full payment of the one unit of subscription member interest to be purchased by Investor.

“Escrow Funds” means the Cash Investments deposited with the Escrow Agent pursuant to this Escrow Agreement.

“Administration Fee” means [REDACTED] to cover all escrow account expenses, initial operation of the Fund, any marketing, legal and accounting (excluding immigration fees) fees.

Section 2. Appointment of and Acceptance by Escrow Agent.

The LLC and Investor hereby appoint Escrow Agent to serve as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment in accordance with the terms of this Escrow Agreement. The LLC agrees that prior to commencement of the offering to Investor, the LLC shall request in writing

(b)(4)

that Escrow Agent shall establish the "California Wineries & Vineyards – Napa Vineyards Fund & [Name of Investor] Escrow Account," as more particularly described in Section 3(a) hereto (the "Escrow Account") into which the Cash Investment Instruments from Investor shall be deposited. Escrow Agent agrees to establish the Escrow Account promptly after such request and after the Escrow Agent shall have received all information reasonably requested from the LLC and Investor.

Section 3. Deposits into Escrow.

(a) All Cash Investment Instruments from Purchaser/Investor shall be deposited into the Escrow Account described below:

Bank:

ABA Routing No.:
Center:
Account No.:
Attn:
Re: California Wineries & Vineyards – Napa
Vineyards Fund & [name of investor] Escrow
Account

ALL ESCROW FUNDS DEPOSITED IN THE ESCROW ACCOUNT SHALL REMAIN THE PROPERTY OF THE INVESTOR AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR OTHER CREDITORS' CLAIMS AGAINST THE COMPANY UNTIL RELEASED TO THE COMPANY IN ACCORDANCE WITH SECTION 5 HEREOF.

(b) Investor will deliver Cash Investment Instruments to the Escrow Agent as follows:

(i) (b)(4) [redacted] promptly after execution and delivery of this Agreement by the Escrow Agent, the LLC, and Investor; and

(ii) [redacted] (b)(4) promptly after the Petition is completed but before filing with the US Citizenship & Immigration Service and the Subscription Agreement has been executed and delivered by Investor and the LLC.

(c) The LLC and Investor acknowledge and agree that all Cash Investment Instruments are subject to collection requirements of presentment and final payment. Escrow Funds in the Escrow Account cannot be drawn upon or disbursed until such time as final payment has been made, Escrow Agent is in possession of collected funds, and all of the Cash Investment Instruments are no longer subject to dishonor. Upon receipt, Escrow Agent shall process each Cash Investment Instrument for collection, and the proceeds thereof shall be held as part of the Escrow Funds until disbursed in accordance with Section 5 hereof. If, upon presentment for payment, any Cash Investment Instrument is dishonored, Escrow Agent's sole obligation shall be to notify the LLC of such dishonor and to return such Cash Investment Instrument to Purchaser/Investor. Notwithstanding the foregoing, if for any reason any Cash Investment Instrument is uncollectible after payment of the Escrow Funds represented thereby has been made by Escrow Agent in accordance with this Escrow Agreement, the LLC shall immediately reimburse Escrow Agent upon receipt from Escrow Agent of written notice thereof.

Section 4. Other Information to be furnished to Escrow Agent.

The LLC shall, on the date hereof, provide to Escrow Agent the name, taxpayer identification number, address, and such other information as may be required for withholding and reporting purposes such as either U.S. Treasury Department Form W-9 or another applicable form, e.g., W-8 for the Investor. The Escrow Agent shall have no duty to prepare or file any federal, state, or other tax returns or reports with respect to the Escrow Funds.

Section 5. Disbursements of Escrow Funds.

(b)(4)

(a) **Before Petition.** Subject to the provision of Section 13 hereof, Escrow Agent shall disburse [REDACTED] of the Escrow funds to the LLC promptly after Escrow Agent has received a release notice in the form of *Exhibit A* (the “**Preliminary Release Notice for Fees**”), jointly signed by the Company and the Investor. The Preliminary Release Notice for Fees shall not be delivered to Escrow Agent until the I-526 Petition has been prepared and reviewed by the Investor. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the LLC in the Preliminary Release Notice for Fees. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete

(b)(4)

(b) **Approval of Petition.** Subject to the provisions of Section 13 hereof, Escrow Agent shall disburse [REDACTED] of the Escrow Funds to the LLC promptly after Escrow Agent has received a release notice in the form of *Exhibit B* (the “**Initial Release Notice**”), jointly signed by the Company and the Purchaser. The Initial Release Notice shall not be delivered to Escrow Agent until the Petition has been approved by the USCIS. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the Company in the Initial Release Notice. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete.

(c) **Consulate/Embassy Approval.** Subject to the provisions of Section 13 hereof, Escrow Agent shall promptly disburse the amount of the Escrow Funds as specified and directed in a Release Notice in the form of *Exhibit C* (the “**Second Release Notice**”). The Second Release Notice shall not be delivered until Investor receives confirmation of a determination by a U.S. Embassy or Consulate office on Investor’s approval of immigrant visa application on the conditional resident status. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete.

(b) **Termination by the LLC.** No later than ten (10) business days after receipt by Escrow Agent of written notice from the LLC stating that the LLC has terminated the Subscription Agreement, Escrow Agent shall deliver the Escrow Funds then held by Escrow Agent to Investor, by wire transfer or bank check sent by express delivery service.

(c) **Failure to receive any Release Notice.** Notwithstanding anything to the contrary contained herein, if Escrow Agent shall not have received the Initial Release Notice within 45 days from the USCIS approval on the I-526 petition, Escrow Agent shall, within ten (10) business days after such date and without any further instruction or direction from the LLC, return to Investor all (b)(4) but [redacted] of the Escrow Funds then held by Escrow Agent and deliver [redacted] to the LLC, both disbursements by wire transfer or bank check sent by express delivery service. (b)(4)

Section 6. Provisions for Benefit of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; **provided however**, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall not be required to take notice of or be bound in any way by any agreement or contract between the LLC and Investor, including but not limited to the Subscription Agreement, whether or not Escrow Agent has knowledge of any such agreement or contract.

(b) The LLC and Investor each warrant to and agree with Escrow Agent that there is no security interest in the Escrow Funds or any part of the Escrow Account; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Escrow Funds or any part of the Escrow Funds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Funds or any part of the Escrow Funds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Escrow Funds or any part thereof.

Section 7. Suspension of Performance or Disbursement Into Court.

(a) As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other person(s) resulting in adverse claims or demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Escrow Funds or any part of such Escrow Funds. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties. Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Escrow Funds or any part thereof or to otherwise act hereunder, as stated above, unless and until: (i) the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having

jurisdiction over the parties and the Escrow Funds, and Escrow Agent shall have received written notice thereof *or* (ii) the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent pursuant to Section 12 hereof against any liability, claims, or damages resulting from compliance by Escrow Agent with such agreement.

(b) In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Escrow Account and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its counsel. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Escrow Agreement; *provided however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties hereunder.

(c) Escrow Agent shall have no liability to the LLC, Investor, or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of Escrow Funds held in the Escrow Account or any delay in or with respect to any other action required or requested of Escrow Agent.

(d) The parties hereto agree that, in the event any controversy arises under or in connection with this Escrow Agreement or the Escrow Funds, or Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Escrow Funds, they will pay to Escrow Agent reasonable compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation.

(e) Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or its enforcement, or to appear in, prosecute, or defend any action or legal proceeding which would or might involve it in any cost, expense, loss, or liability unless security and indemnity, as provided in Section 12 hereof shall be furnished.

Section 8. Investment of Escrow Funds.

Escrow Agent shall not invest or reinvest the Escrow Funds. The parties to this Escrow Agreement acknowledge that no interest shall accrue or be paid with respect to the Escrow Funds.

Section 9. Removal of Escrow Agent.

Escrow Agent may be removed, with or without cause, by the LLC and Investor, acting jointly, in writing, at any time by the giving of thirty (30) days prior written notice to Escrow Agent. Such removal shall take effect upon the appointment of a successor escrow agent as provided herein below. Upon any such notice of removal, the LLC shall appoint a successor escrow agent hereunder, which shall be a commercial bank, trust company, or other financial institution with a combined capital and surplus in excess of [REDACTED]. Upon the acceptance in writing of any appointment as Escrow Agent hereunder by a successor escrow agent, such successor escrow agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, and duties of the removed Escrow Agent, and the removed Escrow Agent shall be discharged from its duties and obligations under this Escrow Agreement. After any removal of

Escrow Agent, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

Section 10. Resignation of Escrow Agent.

Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 20 days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all Escrow Funds then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder. After Escrow Agent's resignation the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was escrow agent under this Escrow Agreement.

Section 11. Liability of Escrow Agent.

(a) Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(b) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct.

(c) In no event shall Escrow Agent be liable for incidental, indirect, special, consequential, or punitive damages. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds or the Escrow Account in which Escrow Funds are deposited or this Escrow Agreement, or to appear in, prosecute, or defend any such legal action or proceeding. Without limiting the generality of the foregoing, Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the Subscription Agreement with any other agreement between the LLC and Investor. Escrow Agent shall not be responsible or liable in any manner for the performance by the LLC or Investor of their respective obligations under the Subscription Agreement nor shall Escrow Agent be responsible or liable in any manner for the failure of the LLC or Investor to honor any of the provisions of this Escrow Agreement. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, and shall incur no liability and shall be fully indemnified pursuant to Section 12 hereof from any liability whatsoever in acting in accordance with the advice of such counsel. The LLC shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.

(d) Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer,

conveyance, or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment, or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment, or decree may be subsequently reversed, modified, annulled, set aside, or vacated.

Section 12. Indemnification of Escrow Agent.

The LLC and Investor jointly and severally agree to indemnify Escrow Agent and each of its officers, directors, employees, and agents and save Escrow Agent and its officers, directors, employees, and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees, or agents, directly or indirectly, as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees, or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof the term "**Claims**" shall mean all claims, lawsuits, causes of action, or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action, or impleader) Escrow Agent or any such officer, director, employee, or agent, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action, or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to, or be based upon, in whole or in part: (a) the acts or omissions of the LLC or Investor, (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term "**Losses**" shall mean losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorneys', accountants', and other professionals' fees, litigation, and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of, or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee, or agent (each referred to hereinafter as an "**Indemnified Party**"), the LLC and Investor jointly and severally agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the LLC and Investor jointly and severally agree to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to these available to either the LLC or Investor. The LLC and Investor hereby agree that the indemnifications and protections afforded Escrow Agent in this section shall survive the termination of the Escrow Agreement or the resignation, removal, or effective resignation of Escrow Agent pursuant to Section 7(b) hereof.

Section 13. Compensation to Escrow Agent.

The LLC agrees to pay Escrow Agent for its ordinary services hereunder, the fees determined in accordance with and payable as specified in the Schedule of Fees set forth in *Exhibit D* attached hereto and made a part hereof. In addition, the LLC agrees to pay to Escrow Agent its expenses incurred in connection with this Escrow Agreement including, but not limited to, the reasonable cost of legal services in the event Escrow Agent reasonably deems it necessary to retain counsel. Such expenses shall be paid to Escrow Agent within 10 days following receipt by the parties hereto of a written statement setting forth

such expenses. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities, and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement and to secure the obligation of the parties hereto to indemnify Escrow Agent as set forth in Section 12 hereof, Escrow Agent is hereby granted a security interest in and a lien upon the Escrow Funds, which security interest and lien shall be prior to all other security interests, liens, or claims against the Escrow Funds or any part thereof.

Section 14. Representations and Warranties.

(a) The LLC makes the following representations and warranties to Escrow Agent:

(i) The LLC is a limited liability corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) This Escrow Agreement has been duly approved by all necessary corporate action of the LLC, including any necessary approval, has been executed by duly authorized officers of the LLC, and constitutes a valid and binding agreement of the LLC, enforceable in accordance with its terms; *provided however*, that enforceability is subject to: (a) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, and similar federal and state laws affecting the rights and remedies of creditors generally, and (b) general principles of equity limiting the availability of equitable remedies (including but not limited to the remedy of specific performance), whether considered in a proceeding at law or in equity.

(iii) The execution, delivery, and performance by the LLC of this Escrow Agreement will not violate, conflict with, or cause a default under, the certificate of organization or operating agreement of the LLC, any applicable law or regulation, any court order or administrative ruling or decree to which the LLC is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement to which the LLC is a party or any of its property is subject.

(iv) No party other than the parties hereto and the Investor has, or shall have, any lien or claim against, or security interest in, the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

(v) The LLC hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(vi) All of the representations and warranties of the LLC contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

(c) Investor makes the following representations and warranties to Escrow Agent:

(i) Investor has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by Investor of this Escrow Agreement will not violate, conflict with, or cause a default under any other agreement to which it is a party.

(iii) Investor hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Fund or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer of the Fund other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(iv) All of the representations and warranties of Investor contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

Section 15. Consent to Jurisdiction and Venue.

In the event that the LLC, Investor, or Escrow Agent hereto commence a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree that the United States District Court for the Northern District of California shall have the sole and exclusive jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties agree that the Superior Court of San Mateo County, California shall have sole and exclusive jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts. It is the intention of the parties to this Escrow Agreement that the *situs* of the Escrow Account created by this Escrow Agreement be, and that it be administered in the state in which the principal office of the Escrow Agent is located from time to time acting hereunder.

Section 16. Notice.

All notices and other communications hereunder shall be in writing and shall be deemed to have been validly served, given, or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities (with machine generated receipt confirmation), and addressed to the party to be notified as follows:

If to the LLC at:

California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
177 Bovet Road, Suite 600
San Mateo, CA 94402
Attn: Christina C. Lau
Telephone: (650) 364-3108
Facsimile: (650) 369-8522
Tax ID # _____

If to the Escrow Agent at:

Name of Bank
Address
Attn:
Telephone:
Facsimile:

If to Investor at:

The address set forth on the Investor signature page hereto
or to such other address as each party may designate for itself by
written notice.

Section 17. Amendment Waiver, etc.

This Escrow Agreement may be changed, waived, discharged, or terminated only by a writing signed by the LLC, Investor, and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. No waiver, modification, amendment, termination, or rescission of this Escrow Agreement shall be effective or binding upon Escrow Agent unless Escrow Agent shall have specifically consented thereto in writing.

Section 18. Severability.

To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

Section 19. Governing Law.

This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of California without giving effect to the principles or rules governing conflict of laws.

Section 20. Entire Agreement.

This Escrow Agreement constitutes the entire agreement among the parties relating to the acceptance, collection, holding, and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of the Escrow Agent with respect to the Escrow Funds.

Section 21. Binding Effect.

All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the LLC, Investor, and Escrow Agent. Neither this Escrow Agreement nor any interest herein may be assigned without the written consent of each of the parties hereto.

Section 22. Execution in Counterparts.

This Escrow Agreement may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement.

Section 23. Termination.

Upon the first to occur of the disbursement of all amounts in the Escrow Account or deposit of all amounts in the Escrow Account into court pursuant to Section 7 hereof, this Escrow Agreement shall terminate and Escrow Agent shall have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

[Remainder of page intentionally left blank; signatures on following pages]

**LLC SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the LLC hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

THE LLC:

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

**ESCROW AGENT SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Escrow Agent hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

ESCROW AGENT:

Name,
as Escrow Agent

By: _____
Name, Position

[Purchaser Signature Pages Attached]

**INVESTOR SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Investor hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

INVESTOR

Name

Investor Name ("Investor") Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/> <hr/>
Investor's Legal Counsel Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/>

**EXHIBIT A
TO
ESCROW AGREEMENT**

From of Preliminary Release Notice for Fees

Attached

PRELIMINARY RELEASE NOTICE FOR FEES

This Preliminary Release Notice for Fees is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated _____, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), Name of Investor, a resident of _____, national of _____ ("Investor"), and _____ as Escrow Agent hereunder ("Escrow Agent").

(b)(4)

1. Escrow Agent is hereby irrevocably directed to disburse [redacted] of the Escrow Fund to California Wineries & Vineyards LLC – Napa Vineyards Fund as directed below.

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re:

California Wineries & Vineyards – Napa
Vineyards Fund & [Name of Investor] Escrow
Account

(b)(4)

3. All conditions precedent to disbursement of [redacted] of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized and directed to release and disburse the Escrow Funds as described in this Preliminary Release Notice for Fees.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Initial Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

Name, Investor

**EXHIBIT B
TO
ESCROW AGREEMENT**

From of Initial Release Notice

Attached

INITIAL RELEASE NOTICE

This Initial Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated _____, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), _____, a resident of _____, national of _____ ("Investor"), and _____ as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably directed to disburse (b)(4) of the Escrow Fund to California Wineries & Vineyards LLC – Napa Vineyards Fund as directed below.

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – Napa
Vineyards Fund & [Name of Investor] Escrow
Account

3. All conditions precedent to disbursement of (b)(4) of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized and directed to release and disburse the Escrow Funds as described in this Initial Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Initial Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

_____, Investor

**EXHIBIT C
TO
ESCROW AGREEMENT**

From of Second Release Notice

Attached

SECOND RELEASE NOTICE

This Second Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated September __, 200__, by and among California Wineries & Vineyards LLC, a California Limited Liability Corporation (the "LLC"), _____, a resident of _____, national of _____ ("Investor"), and _____ as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably authorized and directed to:

Choose 1 of the options below:

<input type="checkbox"/>	Disburse the balance of the Escrow Fund to California Wineries & Vineyards LLC – Napa Vineyards Fund as directed below. <i>This option is chosen if Investor's immigrant visa application has been approved as a conditional resident by a U. S. Embassy or Consulate office</i>
<input type="checkbox"/>	Pursuant to the wire transfer instructions in the Initial Release Notice. Disburse the balance of the Escrow Fund to _____ as directed below. <i>This option is chosen if Investor has not been approved EB-5 I-526 petition by the USCIS or as immigrant visa application by a U. S. Embassy or Consulate office</i>

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – Napa
Vineyards Fund & [Name of Investor] Escrow
Account

3. All conditions precedent to disbursement of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized to release and disburse the Escrow Funds as described in this Second Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Second Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
Natural Econometric Incorporated, Manager
Christina C. Lau, Chief Executive Manager

Name, Investor

**EXHIBIT D
TO
ESCROW AGREEMENT**

Schedule of Fees of Escrow Agent

Escrow Fee: [\$_____]

Wire Transfer Fee: [\$_____] per wire

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4)

List of Escrow Account Agents

Hong Kong and Shanghai Bank
United Commercial Bank



Building your future

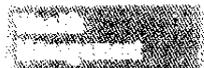


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Corporate Profile

Our International Network

Tax



Assurance

About BPM

Since 1986, Burr, Pilger & Mayer LLP has created an environment where our people like coming to work, our clients depend on us and our focus is on building the future. Today, BPM has offices in San Francisco, San Jose, Palo Alto, and Walnut Creek, global capacities, hundreds of highly trained professionals, and a deep involvement in the communities we serve.

BPM is owner-run, with a first-hand understanding of the entrepreneurial spirit and the intricacies of managing a business.

Our Service

Assurance - Public and private company audits and reviews, internal control testing including Sarbanes Oxley 404 services and general accounting consulting.

Tax - Federal, state, local and international tax preparation for businesses and individuals, tax planning and consulting, including FASB 109 and FIN 48.

Consulting - A full range of services, including performance improvement, IT consulting, valuations, litigation support, merger/acquisition, write-up and client accounting services/software, as well as dissolution and wind-down services.

Wealth Management - Comprehensive personal financial planning for individuals and their families, including estate planning, investment advisory services and insurance strategies.

At BPM, we know that our clients are not only looking for expertise with numbers, but also an understanding of their specific needs. It is a responsibility that we take seriously, and it is the driving force behind our success and the success of our clients.



Building your future



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Our International Network

BPM is a member of Leading Edge Alliance (LEA), a prestigious international professional association of independently-owned accounting and consulting firms. The LEA is headquartered in Illinois with over 350 members across the US, Europe, Africa, the Middle East, Asia, and Latin America. All member firms are bound together by the highest professional standards and a common goal of delivering the highest quality service.

Helping You Prosper

As a member of LEA, the resources of our firm are significantly increased, thus enhancing our ability to meet your changing needs. We share ideas, information, and expertise throughout the major economic centers of the world to help our clients prosper – that's what our firm and membership in LEA is all about.

How You Benefit

The following are just a few of the ways in which our clients benefit from our membership in LEA:

- **Diverse Services.** In addition to our accounting and tax services, we offer a variety of other specialties designed to improve your business. These include strategic planning, organization and operations analysis, computer hardware and software support, cash management, compensation management, employee benefits administration, cash expenditure evaluations, litigation support, merger and acquisition studies, loan proposals, international business, personal financial planning, succession planning, and much more.
- **Broad Industry Expertise.** Our varied industry capabilities include unparalleled expertise in such specialized fields as manufacturing, wholesale, retail, construction, real estate, health care, financial institutions, utilities, transportation, business services, professional services, and public administration.
- **Membership Network.** We are ready and able, regardless of where your business takes you. Our network of firms provides you with financial and tax advice from locations worldwide.
- **Timely Information on accounting and tax trends.** We are committed to being on the leading edge. In daily exchanges with our associates, we constantly address a variety of clients and professional concerns. This allows us to gauge emerging trends in business and anticipate your changing needs.
- **Skill Building.** Our partners and staff enjoy frequent opportunities throughout the year to sharpen their professional skills with association seminars and programs covering a wide variety of technical and business subjects.

Commitment to Excellence. All member firms must meet and uphold exacting professional requirements. Associates undergo periodic peer review inspections to ensure the continuance of high accounting standards.



Building your future



Tax



Assurance

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- Construction
- Educational Institutions
- Financial Services
- Health Care
- Life Sciences
- Nonprofits
- Owner Managed Business
- Pension Audits
- Printing & Publishing
- Real Estate
- Restaurant
- Retail
- SEC
- Technology
- Vineyard/Wine**
- Wholesale

Vineyard/Wine

Managing a winery requires specific expertise to juggle budgets, manage fluctuating seasonal costs and the ability to predict what effect Mother Nature will have on your business from one year to the next. Although we can't help you improve your meteorology skills, we can help you streamline and upgrade your operations, advise you on eliminating inefficiencies and offer practical solutions to ensure on-going profitability for your vineyard or winery.

Besides audit, assurance and tax service our vineyard industry specialists can assist you with an ever increasing range of business planning and management needs including:

- Information Technology Consulting
- Software Implementation and Training
- Business Valuation
- Employee Compensation
- Retirement Planning



Building your future



Contact Us

Locations

Tax



Assurance

Locations

San Francisco

600 California Street, Suite 1300
San Francisco, CA 94108
P: 415-421-5757
F: 415-288-6288
bpm@bpmllp.com
[Directions to this location](#)

San Jose

60 South Market Street, Suite 800
San Jose, CA 95113
P: 408-961-6300
F: 408-961-6324
bpm@bpmllp.com
[Directions to this location](#)

Palo Alto

2 Palo Alto Square, Suite 250
3000 El Camino Real
Palo Alto, CA 94306
P: 650-855-6800
F: 650-855-6899
bpm@bpmllp.com
[Directions to this location](#)

Walnut Creek

100 Pringle Avenue, Suite 340
Walnut Creek, CA 94596
P: 925-296-1040
F: 925-296-1099
bpm@bpmllp.com
[Directions to this location](#)



U.S. Citizenship
and Immigration
Services

HQSCOPS 70/6.1.2-C

FILE COPY

SEP 18 2008

Christina Lau
President
Natural Econometric Inc.
177 Bovet Rd, Ste. 600
San Mateo, CA 94402

Application: Request for Designation/Amendment of/Re-certification as a Regional Center
Applicants: Christina Lau
Proposed Enterprise: California Wineries & Vineyards, LLC Regional Center

RE: Proposal for Designation as a Regional Center under the Immigrant Investor Pilot Program.

REQUEST FOR ADDITIONAL EVIDENCE

This office is unable to complete processing of your request without further information. **Please read and comply with those items requested below, then resubmit the evidence requested to the address listed below, including this letter, within 87 days.**

If your submission is more than several pages, please use acco-fasteners to attach the documents at the top of each page.

USCIS Foreign Trader, Investor & Regional Center Program
Office of Service Center Operations, Business & Trade Services
20 Massachusetts Avenue, NW **(Room 2123)**
Washington, DC 20529

What is the Immigrant Investor Pilot Program?

The Immigrant Investor Pilot Program ("Pilot Program") was created by Section 610 of Public Law 102-395 (October 6, 1992). This is different in certain ways from the basic EB-5 investor program.

The Pilot Program began in accordance with a Congressional mandate aimed at stimulating economic activity and creating jobs for U.S. workers, while simultaneously affording eligible aliens the opportunity to become lawful permanent residents. Through this innovative program, foreign investors are encouraged to invest funds in an economic unit known as a "Regional Center."

A Regional Center is defined as any economic unit, public or private, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment.

Initial evidence requirements.

1. 8 CFR 204.6 (m) states in pertinent part:

(3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the...[Chief, Office of Service Center Operations]..., which:

(i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

(ii) Provides in verifiable detail how jobs will be created indirectly;

(iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;

(iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and

(v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported [if any], and/or multiplier tables.

2. It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

In reference to 8 CFR 204.6(m)(3)(i) as stated above the geographical area must be contiguous and clearly delineated. It is most helpful to provide the following series of maps, charts or written descriptions:

- The entire desired Regional Center Area
- Standard Metropolitan Statistical Areas (SMSA's)
- Rural Areas (areas outside SMSA's with populations under 20,000 people)
- High Unemployment Targeted Employment Areas (TEA's) as determined by the Governor or designee, (1.) areas within SMSA's or 2.) population centers of

20,000 or more outside SMSA's; with unemployment rates 150% or more of the national rate)

- Census Tracts, Cities, Towns, Counties, etc.
- Unemployment Rates by Cities, Towns, Counties or Census Tracts, etc.

It appears that the requested area for the regional center may encompass two or more non-contiguous areas. Please provide a map clearly delineating a single contiguous area as the regional center area. Also, please provide a map depicting any standard metropolitan statistical areas, if any, within the desired area. Lastly, you have supplied information as to the areas that have been declared high unemployment areas by EDD, however, EDD was replaced by the governor by the Secretary of Business, Transportation and Housing (BTH) in April 2008. Please resubmit your request to BTH for confirmation of the information provided. See also, item 11, below, as a reference.

3. In reference to 8 CFR 204.6(m)(3)(ii) as stated above for a Regional Center it is imperative to fully explain indirect job creation, as well as the direct and induced jobs, if any. The requirement of creating at least 10 new full-time (35 hours per week) jobs per each individual alien investor may be satisfied by showing that, as a result of the investment and the activities of the new enterprise, at least 10 jobs per alien investor will be created directly or indirectly through an employment creation multiplier effect. Submit an Economic Analysis and model that shows and describes job creation for each category of economic activity (for example, manufacturing, food production/processing, warehousing, tourism and hospitality, transportation, power generation, agriculture, etc.) Aspects of this element of the proposal may be combined with items 7 and 8, below in a single economic analysis and job creation model.

Under the provisions of the INA which apply to the Immigrant Investor Pilot Program and specific amendments to the statute, especially in the 2002 amendment Per Public Law 107-273, enacted November 2, 2002, which clearly states:

“A regional center shall have jurisdiction over a limited geographic area, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments, and the other positive economic effects such capital investments will have.”

When relying on econometric models for indirect job creation¹ it is imperative that “direct jobs” will be real identifiable jobs supported by wage reports or I-9 forms otherwise they must be explicitly identified as hypothetical in nature. Another method would be to predict jobs based on

¹ USCIS does not accept “construction jobs” in these permanent job creation forecasts as they are transient in nature and disappear when the construction is complete or are seasonal at best. However, support positions associated with construction jobs such as home supply product sales, routine maintenance and repair, and manufacturing of building materials can be included as indirect jobs in the calculations.

dollar amount invested in the overall project, this too must be made clear. This distinction will be critical at the I-829 removal of condition stage of the immigration process.

The current proposal does not contain any economic analysis or job creation predictions. Please provide them in response to this request for evidence. See also items 7 and 8, below.

4. In reference to 8 C.F.R. § 204.6(m)(3)(iii), a proposal must include a detailed statement regarding the amount and source of the capital that has been committed to the Regional Center, in addition to the description of the promotional efforts taken and planned by the Regional Center's sponsors. USCIS has interpreted the words, "amount and source of capital that has been committed to the Regional Center" to mean the capital sufficient to sustain the Regional Center distinct from immigrant investors' required capital investment in a new commercial enterprise within the Regional Center.

The detailed statement that is required to meet the regulatory requirement relating to the amount and source of capital committed to the Regional Center should include: 1.) the exact amount of funds that have been dedicated to the Regional Center to accomplish the goals of the Pilot Program; 2.) the source of such funds; 3.) whether the amount is sufficient to sustain the Regional Center; and 4.) evidence that the funds have already been committed to the Regional Center. None of the capital sustaining the Regional Center can come from immigrant investors' required threshold capital investment (as distinct from the new commercial enterprises' revenues). This separation of funds is necessary to enable the alien entrepreneur to qualify for the EB-5 immigrant investor classification.

The current proposal does not contain any information on this topic. Please provide it in your response.

5. Also, under 8 CFR 204.6(m)(3)(iii) as stated above for any individual alien investor who will be solicited by a Regional Center to invest the requisite capital into a Regional Center commercial activity, it will be incumbent on the Regional Center to engage in a due diligence process to establish that all sources of capital can be fully explained and clearly shown to have been lawfully obtained.

Submit a plan of proposed Regional Center operation which addresses how investors will be recruited and how the Regional Center will conduct its due diligence to accommodate the requirement that all immigrant investor funds will be lawfully obtained and describe what measures will be taken by the Regional Center to ensure and validate this. Will the submission of certain financial documents be required of foreign investors or will the Regional Center, for example, utilize a professional investigating firm to vet a potential investor's source of funds? What are your plans in this regard?

6. Lastly under 8 CFR 204.6(m)(3)(iii), USCIS interprets the words "promotional efforts" to mean an advertising or marketing program planned by the sponsors of the Regional Center that is

designed to attract immigrant investors to the Regional Center. Regional Center proposals require a full description of the past, current and future promotional activities for the Regional Center. This shall include a description of the budget for this activity as well as a statement as to the source of those funds used to accomplish this necessary task.

The current proposal does not contain any information on this topic. Please provide it in your response.

7. In reference to 8 CFR 204.6 (m)(3)(iv) as stated above a detailed prediction must be provided which includes the topics of regional or national impact, household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the Regional Center. This can be combined with items 3, above, and 8, below.

The current proposal does not contain any information on this topic. Please provide it in your response.

The proposal should not makes vague references to regional economic impacts but should provide actual monetary predictions and address the elements listed in USCIS regulations. The economic model and analysis requested in item 3, above, and item 8, below, will also need to address these specific points as listed here.

8. In reference to 8 CFR 204.6 (m)(3)(v) as stated above submit a complete and valid economic analysis sufficiently detailed to predict the overall economic impact to be made by the Regional Center. This can be combined with items 3 and 7, above.

The current proposal does not contain any information on this topic. Please provide it in your response.

Again it is stressed that the economic analysis that can be combined with items 3 and 7, above, must be sufficiently detailed to predict the overall economic impact and localized impacts to be made by the Regional Center' investment activities and projects.

9. The business aspects of the Regional Center must be fully explained as to its structure. This aspect of a proposal includes, but is not limited to, the following basic elements or samples of them as applicable to the business approach and structure to be used by the Regional Center:

- An overall Business Plan-mandatory
- Draft Operating Agreement
- Draft Partnership Agreement
- Draft Subscription Agreement
- Draft Escrow Agreements and Instructions (one for capital and one for any service fees)
Such agreements usually include an "out clause" in the event of an unsuccessful visa process as a marketing tool but are not required.

- List of proposed reputable financial institutions to serve as the Escrow Agent(s)
- Draft of an Offering Letter, Memorandum, Confidential Private Placement Memorandum, or similar offering made in writing to an immigrant investor through the Regional Center.
- Draft Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center.

The current proposal does contain a stock purchase agreement and escrow agreement. Please provide a sample or draft of your offering instrument as well as any other items that are germane to your business structure.

10. The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether an approved and designated Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year², commencing with the initial year as follows:

Submit a description of the applicant's plans to administer, oversee, and manage the proposed Regional Center, including but not limited to such things as to identify, assess and evaluate proposed immigrant investor projects and enterprises; how the proposed Regional Center would perform "due diligence" as to whether investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how to monitor all investment activities affiliated, through or under the sponsorship of the proposed Regional Center, and to maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year. This is known as "due diligence" and is coupled with "oversight reporting responsibilities" to be fully explained if approved and designated.

11. With respect to the process by which a High Unemployment Area (USCIS TEA) is designated by the State. The exact and complete relevant language of the regulation that covers this may be found at 8 CFR 204.6(i), where it reads as follows:

² A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

State designation of a high unemployment area. The state government of any state of the United States may designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as an area of high unemployment (at least 150 percent of the national average rate). Evidence of such designation, including a description of the boundaries of the geographic or political subdivision and the method or methods by which the unemployment statistics were obtained, may be provided to a prospective alien entrepreneur for submission with Form I-526. Before any such designation is made, an official of the state must notify the... [Chief, Office of Service Center Operations]... of the agency, board, or other appropriate governmental body of the state which shall be delegated the authority to certify that the geographic or political subdivision is a high unemployment area.

Further clarification of the role of the state designated authority in the I-526 process is found at 8 CFR 204.6 (j) (6) (ii) (B) as follows:

(6) If applicable, to show that the new commercial enterprise has created or will create employment in a targeted employment area, the petition must be accompanied by:

.....

(ii) In the case of a high unemployment area:

.....

(B) A letter from an authorized body of the government of the state in which the new commercial enterprise is located which certifies that the geographic or political subdivision of the metropolitan statistical area or of the city or town with a population of 20,000 or more in which the enterprise is principally doing business has been designated a high unemployment area. The letter must meet the requirements of 8 CFR 204.6(i). [Applicable sentence underlined above.]

It is hoped that the above references and information will be of help to you and the appropriate officials of the state with respect to your interest in seeking to establish a Regional Center through the Immigrant Investor Pilot Program that would focus within the state.

PLEASE NOTE: For your proposal submission and supporting evidence for items 1 through 11, above, as applicable, please use acco-fasteners to attach the documents at the top of each page or place in a three ring binder, and individually tab the written materials/responses which you submit for each of the applicable items listed above in items 1 through 11. Also, submit the information in duplicate.

Translations Any document containing a foreign language submitted to USCIS shall be accompanied by a full English translation that the translator has certified as complete and

accurate, and by the translator's certification that he or she is competent to translate from the foreign language into English.

Copies Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.

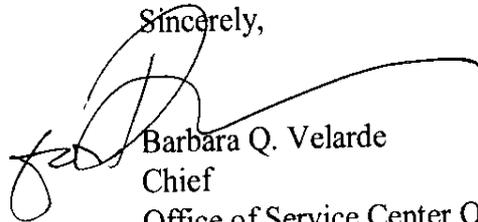
Address Changes.

If you change your address and you have a Regional Center proposal pending with USCIS, you may change your address by sending notification to:

**USCIS Chief of Service Center Operations
Attn: Program Manager, Foreign Trader, Investor and Regional Center Program.
20 Massachusetts Avenue, NW (RM. 2123)
Washington, DC 20529**

To make an inquiry or ask a question about the Regional Center Program you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov

Sincerely,



Barbara Q. Velarde
Chief
Office of Service Center Operations

U.S. Department of Homeland Security
Office of Service Center Operations
20 Massachusetts Ave, NW (Rm. 2123)
Washington, DC 20529



U.S. Citizenship
and Immigration
Services

HQSCOPS 70/6.1.2-C

SEP 18 2008

Christina Lau
President
Natural Econometric Inc.
177 Bovet Rd, Ste. 600
San Mateo, CA 94402

Application: Request for Designation/Amendment of/Re-certification as a Regional Center
Applicants: Christina Lau
Proposed Enterprise: California Wineries & Vineyards, LLC Regional Center

RE: Proposal for Designation as a Regional Center under the Immigrant Investor Pilot Program.

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The detailed statement that is required to meet the regulatory requirement relating to the amount and source of capital committed to the Regional Center should include: 1.) the exact amount of funds that have been dedicated to the Regional Center to accomplish the goals of the Pilot Program; 2.) the source of such funds; 3.) whether the amount is sufficient to sustain the Regional Center; and 4.) evidence that the funds have already been committed to the Regional Center. None of the capital sustaining the Regional Center can come from immigrant investors' required threshold capital investment (as distinct from the new commercial enterprises' revenues). This separation of funds is necessary to enable the alien entrepreneur to qualify for the EB-5 immigrant investor classification.

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5. Also, under 8 CFR 204.6(m)(3)(iii) as stated above for any individual alien investor who will be solicited by a Regional Center to invest the requisite capital into a Regional Center commercial activity, it will be incumbent on the Regional Center to engage in a due diligence process to establish that all sources of capital can be fully explained and clearly shown to have been lawfully obtained.

Submit a plan of proposed Regional Center operation which addresses how investors will be recruited and how the Regional Center will conduct its due diligence to accommodate the requirement that all immigrant investor funds will be lawfully obtained and describe what measures will be taken by the Regional Center to ensure and validate this. Will the submission of certain financial documents be required of foreign investors or will the Regional Center, for example, utilize a professional investigating firm to vet a potential investor's source of funds? What are your plans in this regard?

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The proposal should not makes vague references to regional economic impacts but should provide actual monetary predictions and address the elements listed in USCIS regulations. The economic model and analysis requested in item 3, above, and item 8, below, will also need to address these specific points as listed here.

8. In reference to 8 CFR 204.6 (m)(3)(v) as stated above submit a complete and valid economic analysis sufficiently detailed to predict the overall economic impact to be made by the Regional Center. This can be combined with items 3 and 7, above.

The current proposal does not contain any information on this topic. Please provide it in your response.

Again it is stressed that the economic analysis that can be combined with items 3 and 7, above, must be sufficiently detailed to predict the overall economic impact and localized impacts to be made by the Regional Center' investment activities and projects.

9. The business aspects of the Regional Center must be fully explained as to its structure. This aspect of a proposal includes, but is not limited to, the following basic elements or samples of them as applicable to the business approach and structure to be used by the Regional Center:

- An overall Business Plan-mandatory
 - Draft Operating Agreement
 - Draft Partnership Agreement
 - Draft Subscription Agreement
 - Draft Escrow Agreements and Instructions (one for capital and one for any service fees)
- Such agreements usually include an "out clause" in the event of an unsuccessful visa process as a marketing tool but are not required.

- List of proposed reputable financial institutions to serve as the Escrow Agent(s)
- Draft of an Offering Letter, Memorandum, Confidential Private Placement Memorandum, or similar offering made in writing to an immigrant investor through the Regional Center.
- Draft Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center.

The current proposal does contain a stock purchase agreement and escrow agreement. Please provide a sample or draft of your offering instrument as well as any other items that are germane to your business structure.

10. The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether an approved and designated Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year², commencing with the initial year as follows:

Submit a description of the applicant's plans to administer, oversee, and manage the proposed Regional Center, including but not limited to such things as to identify, assess and evaluate proposed immigrant investor projects and enterprises; how the proposed Regional Center would perform "due diligence" as to whether investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how to monitor all investment activities affiliated, through or under the sponsorship of the proposed Regional Center, and to maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year. This is known as "due diligence" and is coupled with "oversight reporting responsibilities" to be fully explained if approved and designated.

11. With respect to the process by which a High Unemployment Area (USCIS TEA) is designated by the State. The exact and complete relevant language of the regulation that covers this may be found at 8 CFR 204.6(i), where it reads as follows:

² A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

State designation of a high unemployment area. The state government of any state of the United States may designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as an area of high unemployment (at least 150 percent of the national average rate). Evidence of such designation, including a description of the boundaries of the geographic or political subdivision and the method or methods by which the unemployment statistics were obtained, may be provided to a prospective alien entrepreneur for submission with Form I-526. Before any such designation is made, an official of the state must notify the... [Chief, Office of Service Center Operations]... of the agency, board, or other appropriate governmental body of the state which shall be delegated the authority to certify that the geographic or political subdivision is a high unemployment area.

Further clarification of the role of the state designated authority in the I-526 process is found at 8 CFR 204.6 (j) (6) (ii) (B) as follows:

(6) If applicable, to show that the new commercial enterprise has created or will create employment in a targeted employment area, the petition must be accompanied by:

.....

(ii) In the case of a high unemployment area:

.....

(B) A letter from an authorized body of the government of the state in which the new commercial enterprise is located which certifies that the geographic or political subdivision of the metropolitan statistical area or of the city or town with a population of 20,000 or more in which the enterprise is principally doing business has been designated a high unemployment area. The letter must meet the requirements of 8 CFR 204.6(i). [Applicable sentence underlined above.]

It is hoped that the above references and information will be of help to you and the appropriate officials of the state with respect to your interest in seeking to establish a Regional Center through the Immigrant Investor Pilot Program that would focus within the state.

PLEASE NOTE: For your proposal submission and supporting evidence for items 1 through 11, above, as applicable, please use acco-fasteners to attach the documents at the top of each page or place in a three ring binder, and individually tab the written materials/responses which you submit for each of the applicable items listed above in items 1 through 11. Also, submit the information in duplicate.

Translations Any document containing a foreign language submitted to USCIS shall be accompanied by a full English translation that the translator has certified as complete and

accurate, and by the translator's certification that he or she is competent to translate from the foreign language into English.

Copies Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.

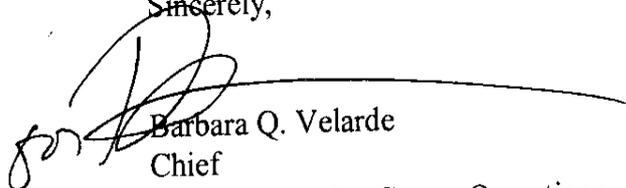
Address Changes.

If you change your address and you have a Regional Center proposal pending with USCIS, you may change your address by sending notification to:

**USCIS Chief of Service Center Operations
Attn: Program Manager, Foreign Trader, Investor and Regional Center Program.
20 Massachusetts Avenue, NW (RM. 2123)
Washington, DC 20529**

To make an inquiry or ask a question about the Regional Center Program you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov

Sincerely,


Barbara Q. Velarde
Chief
Office of Service Center Operations



Natural Econometric Incorporated

May 23, 2008

Received
JUN 11 2008

U.S. Department of Homeland Security
20 Massachusetts Avenue, NW
Washington DC 20529

Re: Seeking Approval for EB-5 Regional Center of
Applicant: California Wineries & Vineyards LLC *RC*
c/o Natural Econometric Incorporated

Dear Officer,

We are submitting this letter along with supporting documents to seek approval on California Wineries & Vineyards LLC as EB-5 Regional Center pursuant to Section 610 of the Appropriations Act of 1993.

The purpose of the application focuses on the following commercial activity:

1. Wine or table grape growing, harvesting, processing, wine making, warehousing, and sales to both domestic and overseas buyers.

The investment will be used for either:

1. Buying wineries and/or vineyards that are currently listing for sale; or
2. Investing into existing trouble wineries and/or vineyards that are facing financial needs; troubled business will be defined as under 8 CFR 204.6(e).

These wineries and/or vineyards are located within the areas as listed below:

American Canyon city (population: 16293 as of 2008)
Arroyo Grande city (population: 17,036 as of 2008)
Buellton & Santa Rita Hills city (population: 4700 as of 2008)
Calistoga city (population: 5302 as of 2008)
Cambria city (population: 6,333 as of 2007)
Lompoc city (unemployment rate is 9.5%)
Los Alamos city (population: 1372 as of 2000)
Los Olivos city (population: 1093 as of 2008)
Santa Maria city (unemployment rate is 8.5%)
Santa Ynez City (population: 4584 as of 2000)

*needs: Map of
one contiguous area
SMSAs, if any
BTH reaffirmation
of HUAS/TEAS*

Solvang city (population: 5555 as of 2008)
Sonoma city (population: 9943 as of 2008)
St. Helena city (population: 5924 as of 2008)
Templeton city (population 4687 as of 2000)
Yountville city (population: 3263 as of 2008)
Napa county (unemployment rate is greater than 6.9%)
San Luis Obispo county (unemployment rate is greater than 6.9%)
Sonoma county (unemployment rate is greater than 6.9%)
Santa Ynez Valley (consists population of about 20,000 residents living in the communities of Solvang, Los Olivos, Santa Ynez, Buellton, and Ballard)
El Paso de Robles (Paso Robles) city

Except for the El Paso de Robles (Paso Robles), all of the above listed cities are either classified as Rural Area based on population under 20,000 or Targeted Employment Area that is determined by national unemployment rate and state agency, for California, that will be Employment Development Department. A copy of the 2007 report is enclosed. The unemployment rate is determined to be 6.9%.

The investment will be used for:

1. Employment creation and preservation when buying wineries and/or vineyards that are currently listing for sale; or
2. Employment preservation when investing into existing trouble wineries and/or vineyards that are facing financial needs – this will be supported by evidence of the number of full-time employment (35 hours per week) qualified full time employees whose positions will be preserved or maintained throughout the immigrant investor's period of conditional residency.

In support of this request, we hereby submit the following documents:

1. Report from Employment Development Department – Unemployment at Santa Maria & Lompoc city
2. 2007 Community Economic Profile on San Luis Obispo city – population at Arroyo Grande, Cambria, Paso Robles
3. Qualifying Unemployment Rate for Targeted Area – report from California State Agency Employment Development Department (May 2007 edition)
4. 2008 City Population by Ranking
5. Santa Ynez Valley Profile and outlook
6. Purchase Agreement

Page Three

May 23, 2008

California Wineries & Vineyards LLC EB-5 Certification Request

7. Escrow Instruction
8. Name Reservation for California Wineries & Vineyards LLC

Once this EB-5 Regional Center is being approved by the US Citizenship & Immigration Service, we will notify the following organizations so that they can encourage the wineries and vineyards to participate in this project:

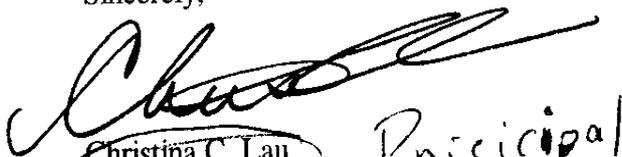
1. California Wine Institute
2. Santa Barbara County Vintners' Association
3. San Luis Obispo Vintners Association
4. Napa Valley Vintners Association
5. Paso Robles Vintners & Growers Association
6. Sonoma County Vintners
7. Chamber of Commerce

Interested wineries and vineyards will submit their information to our online database system where investors can read the profile before investing.

We believe that this EB-5 Regional Center will greatly help the agricultural aspect of wine and table grape growing in California. In addition, it will also help to increase export of California wines overseas. As one of the items listed on the Purchase Agreement (Section 5.1) requires the Investor to buy 1000 cases of the wine produced by his invested wineries then export and sell the wine in his home country. This will also allow the investor to actively participate in his invested business.

We hope that the USCIS can approve this EB-5 Regional Center so that the workers, wineries and vineyards in California can all benefit from this project. Thank you.

Sincerely,


Christina C. Lau
President
Principal

**EB-5 Regional Center
Certification Request
California Wineries &
Vineyards LLC**

1	Unemployment Labor Force Data Report from EDD
2	2007 Community Economic Profile on San Luis Obispo city
3	Qualifying Unemployment Rate for Targeted Area – California State Agency EDD
4	2008 City Population by Ranking
5	Santa Ynez Valley Profile and outlook
6	Purchase Agreement
7	Escrow Instruction
8	Name Reservation for California Wineries & Vineyards LLC

Labor Force Data for Sub-County Areas

Based on Each Area's 2000 Census Share of County Employment and Unemployment*

STATE OF CALIFORNIA
 EMPLOYMENT DEVELOPMENT DEPARTMENT
 LABOR MARKET INFORMATION DIVISION
 916-262-2162

LABOR FORCE DATA FOR SUB-COUNTY AREAS

(Data Not Seasonally Adjusted)
2007 BENCHMARK

* Monthly sub-county data are derived by multiplying current estimates of county-wide employment and unemployment by the respective employment and unemployment shares (percentages) in each sub-county area at the time of the 2000 household Census. Sub-county labor force is then obtained by summing employment and unemployment, and the result is divided into unemployment to calculate the unemployment rate.

This method assumes that the rates of change in employment and unemployment, since 2000, are exactly the same in each sub-county area as at the county level (i.e., that the shares are still accurate). If this assumption is not true for a specific sub-county area, then the estimates for that area may not be representative of the current economic conditions. Since this assumption is untested, caution should be employed when using these data.

- 1) All unemployment rates shown are calculated on unrounded data.
- 2) These data are not seasonally adjusted.
- 3) Census ratios used to calculate sub-county labor force are based on the 2000 Census. Ratios for cities of 25,000 or more persons were developed from special tabulations from the Bureau of Labor Statistics based on household population only. For smaller places and CDPs, ratios were calculated from published census data.
- 4) Labor force data for all geographic areas for 2000 to 2007 now reflect the March 2007 annual revision (or benchmark) and Census 2000 population controls at the state level. Labor force data produced using older benchmarks are no longer comparable to data based on the 2007 benchmark.

These data, as well as other labor market data, are available via the Internet at <http://www.labormarketinfo.edd.ca.gov>.

CDP stands for Census Designated Place.

County Data are for March (Preliminary) 2008

Area Name	Labor Force	Employment	Unemployment Number	Unemployment Rate	Census Ratios	
					Emp	Unemp
Santa Barbara County	218,100	206,600	11,500	5.3%	1.000000	1.000000

Labor Force Data for Sub-County Areas

Based on Each Area's 2000 Census Share of County Employment and Unemployment*

County Data are for March (Preliminary) 2008

Area Name	Labor Force	Employment	Unemployment Number	Unemployment Rate	Census Ratios	
					Emp	Unemp
Buellton city	2,200	2,100	100	2.7%	0.010359	0.005152
Carpinteria city	8,400	8,200	200	2.4%	0.039797	0.017302
Goleta City	17,300	16,900	400	2.6%	0.081976	0.038740
Guadalupe city	2,600	2,400	200	6.8%	0.011482	0.015072
Isla Vista CDP	11,200	9,800	1,400	12.8%	0.047555	0.125192
Lompoc city	19,700	17,800	1,900	9.5%	0.086000	0.162220
Los Alamos CDP	700	700	0	6.1%	0.003492	0.004076
Mission Canyon CDP	1,500	1,500	0	3.0%	0.007349	0.004076
Mission Hills CDP	1,700	1,600	100	4.9%	0.007719	0.007075
Montecito CDP	5,200	4,500	700	13.8%	0.021548	0.062135
Orcutt CDP	14,700	14,000	700	4.5%	0.067653	0.056982
Santa Barbara city	55,400	53,400	2,000	3.7%	0.258225	0.177160
Santa Maria city	38,900	35,600	3,300	8.4%	0.172451	0.282820
Santa Ynez CDP	2,800	2,700	100	2.6%	0.013026	0.006229
Solvang city	3,000	3,000	0	1.5%	0.014680	0.003999
Summerland CDP	1,100	1,100	0	2.9%	0.005390	0.002922
Toro Canyon CDP	1,000	1,000	0	0.8%	0.005074	0.000692
Vandenberg AFB CDP	1,400	1,300	100	6.4%	0.006375	0.007767
Vandenberg Village CDP	3,000	2,900	100	3.3%	0.013801	0.008459

2007 Community Economic Profile

for the

City of San Luis Obispo



with additional information about
San Luis Obispo County

Prepared by the Research Department of the
San Luis Obispo Chamber of Commerce

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Location

The city of San Luis Obispo, incorporated February 16, 1856, is located 200 miles north of Los Angeles and 235 miles south of San Francisco; it is 10.7 square miles, at an elevation of 315 feet, the city is 35° N latitude and 120° W longitude. The county of San Luis Obispo is 3,316 square miles in area.

(Source: SLO County Economic Development)

City Climate

Average temperatures for San Luis Obispo city:

Period	Minimum (°F)	Maximum (°F)	Rain (Inches)
January	42	65	5.28"
April	45	71	1.31"
July	53	80	0.03"
October	50	79	0.99"

August is the average warmest month

Highest recorded temperature was 112°F in 1971

December is the average coolest month

Lowest recorded temperature was 12°F in 1987

The maximum average precipitation occurs in February

San Luis Obispo has a 339-day growing season

Prevailing winds direction is northeast; mean hourly speed is 7 mph

(Source: Weatherchannel.com)

County Agriculture

The leading agriculture crops for the county of San Luis Obispo include wine grapes, cattle/calves, and broccoli. There is a total of 1,164,500 acres of agriculture land, 113,200 is harvested acreage and 1,051,300 is pasture acreage. Refer to the table below for a complete list of the leading agriculture production.

San Luis Obispo County Leading Agriculture Production in Dollars			
Crop	2006 Ranking	Dollar Amount	2005 Ranking
Grapes, Wine	1	\$194,373,000	1
Cattle and Calves	2	\$53,071,000	2
Broccoli	3	\$50,062,000	3
Vegetable Transplants	4	\$30,178,000	4
Strawberries	5	\$29,367,000	8

Cut Flowers	6	\$28,240,000	6
Indoor Decorative	7	\$25,168,000	9
Lettuce, Head	8	\$23,178,000	5
Oriental Vegetables	9	\$15,741,000	14
Lettuce, Leaf	10	\$14,755,000	12
Cauliflower	11	\$11,949,000	11
Grazed Rangeland	12	\$10,250,000	13
Outdoor Ornamentals	13	\$8,638,000	16
Bell Peppers	14	\$7,920,000	10
Avocados	15	\$7,538,000	7
Celery	16	\$7,342,000	17
Cabbage	17	\$7,296,000	19
Bedding, Sod and Ground Cover	18	\$5,842,000	15
Spinach	19	\$3,532,000	18
Grain Hay	20	\$2,606,000	NA

San Luis Obispo Wineries

Picturesque San Luis Obispo County - part of the California wine country featured in the award-winning "Sideways" movie - boasts two distinct wine country regions, and both attract worldwide acclaim. With over 100 wineries, many welcome visitors to wine tasting rooms for sampling prize-winning wines. This is a delightful destination for wine lovers.

In the San Luis Obispo wine region, the cool climate and marine sediment combine to produce the most highly regarded, rich, buttery Chardonnay grapes in California wine country.

In the north, the long, hot summers and chalk and limestone hillsides of Paso Robles wine country yield award-winning red wines. Superb Zinfandels and Rhone varieties reward wine tasting tours with lasting memories.

Plan your wine country vacation around the spectacular California Central Coast of San Luis Obispo County. Our mild Mediterranean climate is perfect for year-round wine tasting and wine country tours.

San Luis Obispo, California wine country is worth a visit in itself. An added bonus are the beaches, Hearst Castle, the Mission, the beautiful surrounding scenery, and the wonderful small towns. Experience the relaxed country drives, friendly people, great wines that San Luis Obispo has to offer.

Demographics

Economic Trends and Growth in Population (Census Data)

San Luis Obispo County has recently seen some interesting demographic trends. Most notably, the County's population growth rate continues a slight increase.

	2006	2005	2000	1990
City Population	44,439	43,619	44,174	41,958
County Population	263,242	261,310	246,681	217,162

City Population Breakdown

Arroyo Grande	16,599	Oceano	7,220
Atascadero	27,658	Paso Robles	28,969
Cambria	6,333	Pismo Beach	8,617
Grover Beach	13,213	San Luis Obispo City	44,439
Morro Bay	10,491	Unincorporated Area	113,256
Nipomo	14,023		

	City	County
Median Age	30.94 years	38.3 years
Male	22,655	132,306
Female	21,652	125,315
Average Household Size	-	2.422

Age Distribution	County
Under 5 Years	12,200
5 To 9 Years	12,500
10 To 14 Years	14,800
15 To 19 Years	20,000
20 To 24 Years	22,400
25 To 29 Years	20,800
30 To 34 Years	17,500
35 To 39 Years	15,300
40 To 44 Years	17,600
45 To 49 Years	20,000
50 To 54 Years	20,100
55 To 59 Years	17,600
60 To 64 Years	12,400
65 To 69 Years	9,600

Current Water Rates (Effective 7/1/2006)

The city's monthly charge per 100 cubic feet (ccf) used:

	Inside City	Outside City
Single Family Residential Customers		
1 to 5 ccf	\$3.28	\$6.56
5 to 25 ccf	\$4.11	\$8.22
More than 25 ccf	\$5.14	\$10.28
All Other Customers		
1 to 5 ccf	\$3.28	\$6.56
More than 5 ccf	\$4.11	\$8.22

(One ccf equals 748 gallons)

*A 5% utility users tax is applied to the water portion of the bill

Current Sewer Rates (Effective 7/1/2006)

Billed every two months, the City's monthly charge is:

	Monthly
Single Family Residence	\$35.56
(Includes single metered condo's and townhouses)	
Multi-family (per dwelling unit)	\$28.01
Mobile home/trailer park	\$21.14
(per dwelling unit)	
All other accounts, minimum charge	\$35.56
plus a commodity charge for every ccf over	+
10 of metered water consumption:	\$4.29

Current Water Supply

The City of San Luis Obispo has adopted a multi-source water supply strategy and obtains water from three sources: Salinas Reservoir (Santa Margarita Lake), Whale Rock Reservoir and ground water. Currently, the city is pursuing three water supply options to meet current and future water needs. Recreational opportunities are available at the two reservoirs.

For further information contact:

San Luis Obispo Chamber of Commerce Visitors Center
1039 Chorro Street
San Luis Obispo, CA 93401
Telephone: 805.781.2777
Fax: 805.786.2769
Websites: www.slochamber.org; www.visitslo.com
Email: slochamber@slochamber.org

I F E D E R A L Immigration Act of 1990

May 2007

CONGRESS PASSED THE IMMIGRATION ACT OF 1990 that includes a program permitting foreign investors to obtain permanent residence in the United States. This is an amendment to the Immigration and Naturalization Act (INA). Section 203(b)5 of the INA provides an immigrant investor visa category aimed at generating an inflow of foreign capital and creating jobs for U.S. workers. The law allows 10,000 permanent visas ("green cards") each year for qualifying immigrant investors. The INA requires a capital investment of \$1 million for all areas in California, except in rural, high unemployment, or targeted areas where a lower investment threshold of \$500,000 may be made. In all cases, the investment must also create full-time employment for at least 10 U.S. citizens or other legal residents—other than members of the investor's family. Investors (and qualified family members) may be granted conditional permanent residence status for two years if they meet and document the investment criteria. With timely filing to remove the conditional status, a permanent green card may be issued. Five years after the initial grant of conditional permanent residence, an investor may apply for U.S. citizenship. "High unemployment" is defined as 150 percent of the annual national average unemployment rate. The current qualifying rate is 6.9 percent. In accordance to 8 CFR §204.6(i), the California Employment Development Department (EDD) has been designated to identify the cities, counties, metropolitan statistical areas (MSAs) and geopolitical subdivisions (census tracts) that meet the "high unemployment" definition and therefore qualify for the \$500,000 minimum investment threshold. Though the rate changes often, the qualifying areas are identified at one point in time and published annually. A list of qualifying areas and census tracts can be found below. Census tract numbers for corresponding addresses can be found at <http://factfinder.census.gov/servlet/BasicFactsServlet>.

Program Highlights

- 10,000 new green cards available nationwide each year
- Permanent green card in only 2 years
- Citizenship possible in 5 years

Program Requirements

- Minimum investment of \$500,000 or \$1 million
- Creation of 10 full-time jobs for U.S. citizens

Qualifying Targeted Areas in California

- 292 Cities and Census Designated Places, 83 of these did not qualify at the MSA or County Level
- 33 Counties, 21 of these are Rural
- 11 MSAs
- 1,567 Census Tracts, 1080 of these are in Non-Qualifying Counties

Qualifying Unemployment Rate for Targeted Areas

- 6.9 percent or greater

IMMIGRATION ACT OF 1990 FOREIGN INVESTOR PROVISIONS

QUALIFYING AREAS
(Unemployment Rate 6.9% or greater)

Source: Employment Development Department
Labor Market Information Division
Local Area Unemployment Statistics
2006 Annual Average Unemployment Rates

METROPOLITAN STATISTICAL AREAS (MSA) (BOLD IF QUALIFYING)	COUNTIES COVERED (BOLD IF QUALIFYING)	QUALIFYING CITIES and CENSUS DESIGNATED PLACES	RATE
Bakersfield	Kern		7.6%
Chico	Butte		
		Biggs	7.8%
		Concow	7.0%
		Gridley	14.2%
		Magalia	8.0%
		Oroville	8.7%
		Palermo	9.1%
		South Oroville	10.9%
		Thermalito	12.1%
El Centro	Imperial		15.3%
Fresno	Fresno		8.0%
Hanford-Corcoran	Kings		8.5%
Los Angeles-Long Beach-Glendale	Los Angeles		
		Bellflower	7.8%
		Commerce	8.8%
		Compton	8.4%
		East Compton	8.4%
		Florence Graham	9.5%
		Huntington Park	7.3%
		Industry	8.2%
		Lynwood	7.7%
		Maywood	7.1%
		Paramount	7.1%
		West Compton	7.6%
		West Whittier Los Nietos	9.7%
		Willowbrook	8.6%
Madera	Madera		7.0%
Merced	Merced		9.3%
Modesto	Stanislaus		8.0%
Napa	Napa		

Oakland-Fremont-Hayward	Alameda	Oakland	6.9%
		Cherryland	7.3%
	Contra Costa	Bay Point	8.5%
		Bayview Montalvin	7.9%
		Bethel Island	7.6%
		Crockett	8.3%
		Knightsen	8.1%
		Pittsburg	7.0%
		Richmond	7.2%
		Rollingwood	9.6%
		San Pablo	9.0%
Oxnard-Thousand Oaks-Ventura	Ventura	Piru	7.8%
		Santa Paula	7.4%
Redding	Shasta	Anderson	8.0%
		Burney	8.1%
		Cottonwood	7.7%
		Shasta Lake	8.8%
		Shingletown	11.2%
Riverside-San Bernardino-Ontario	Riverside	Cabazon	13.4%
		Coachella	8.3%
		Desert Hot Springs	6.9%
		Homeland	9.9%
		Lake Elsinore	7.9%
		Mecca	10.2%
		Murrieta Hot Springs	11.1%
		Perris	8.1%
		Quail Valley	8.1%
		Romoland	8.0%
		Rubidoux	7.2%
		San Jacinto	7.8%
		Winchester	7.3%
	San Bernardino	Adelanto	7.3%
		Lenwood	8.7%
		Muscoy	10.7%
		Nebo Center	11.2%
Sacramento-Arden-Arcade-Roseville	El Dorado	Georgetown	8.2%
		Placerville	7.0%
	Sacramento	Florin	7.3%
		Galt	7.4%
		North Highland	7.2%
		Parkway S. Sacramento	8.3%
		Rio Linda	7.2%
		Walnut Grove	11.4%
		Placer	Lincoln City
	Yolo	West Sacramento	8.2%
	Salinas	Monterey	7.0%

San Diego-Carlsbad-San Marcos	San Diego		
		National City	8.1%
San Fran-San Mateo-Redwood City	Marin		
	San Francisco		
	San Mateo		
		East Palo Alto	9.2%
		North Fair Oaks	7.6%
San Jose-Sunnyvale-Santa Clara	Santa Clara		
		Gilroy	6.9%
		San Martin	11.0%
		San Benito	7.0%
San Luis Obispo-Paso Robles	San Luis Obispo		
Santa Ana-Anaheim-Irvine	Orange		
Santa Barbara-Santa Maria-Goleta	Santa Barbara		
		Isla Vista	10.0%
		Lompoc	7.4%
		Montecito	10.9%
Santa Cruz-Watsonville	Santa Cruz		
		Amesti	9.8%
		Freedom	9.3%
		Interlaken	11.6%
		Watsonville	12.6%
Santa Rosa-Petaluma	Sonoma		
		Guerneville	7.2%
		Monte Rio	7.9%
Stockton	San Joaquin		
Vallejo-Fairfield	Solano		
		Elmira	8.1%
Visalia-Porterville	Tulare		8.5%
Yuba City			8.9%
	Sutter		8.9%
	Yuba		8.8%

CENSUS TRACTS THAT HAVE AN UNEMPLOYMENT RATE
EQUAL OR GREATER THAN 6.9% FOR 2006.
2006 ANNUAL AVERAGE

County Name	County FIP Code	2000 Census Tract	2000 Total Population	2000 Labor Force Employment	2000 Labor Force Unemployment	2000 Unemployment Rate	2006 AA Labor Force	2006 AA Labor Force Employment	2006 AA Labor Force Unemployment	2006 AA Unemployment Rate	2006 Quality
San Francisco County	075	017601	5,756	2,351	636	21.3%	2,768	2,218	550	19.9%	YES
San Francisco County	075	017800	5,829	2,351	285	10.8%	2,465	2,218	246	10.0%	YES
San Francisco County	075	017902	1,455	1,012	94	8.5%	1,036	955	81	7.8%	YES
San Francisco County	075	020100	6,340	2,721	419	13.3%	2,929	2,567	362	12.4%	YES
San Francisco County	075	020800	7,371	3,993	353	8.1%	4,073	3,768	305	7.5%	YES
San Francisco County	075	022703	5,140	2,731	239	8.0%	2,783	2,577	207	7.4%	YES
San Francisco County	075	022902	2,932	1,408	120	7.9%	1,432	1,328	104	7.2%	YES
San Francisco County	075	023002	2,443	718	100	12.2%	764	677	86	11.3%	YES
San Francisco County	075	023101	1,223	455	106	18.9%	521	429	92	17.6%	YES
San Francisco County	075	023103	4,657	946	270	22.2%	1,126	893	233	20.7%	YES
San Francisco County	075	023200	4,490	1,497	160	9.7%	1,551	1,412	138	8.9%	YES
San Francisco County	075	023300	2,498	1,071	91	7.8%	1,089	1,011	79	7.2%	YES
San Francisco County	075	023400	3,492	1,176	112	8.7%	1,206	1,110	97	8.0%	YES
San Francisco County	075	025403	4,443	1,998	214	9.7%	2,070	1,885	185	8.9%	YES
San Francisco County	075	026303	4,529	1,883	181	8.8%	1,933	1,777	156	8.1%	YES
San Francisco County	075	026401	3,733	1,529	181	10.6%	1,599	1,443	156	9.8%	YES
San Francisco County	075	026402	4,109	2,034	178	8.0%	2,073	1,919	154	7.4%	YES
San Francisco County	075	030500	3,338	1,041	230	18.1%	1,181	982	199	16.8%	YES
San Francisco County	075	033201	3,184	1,502	125	7.7%	1,525	1,417	108	7.1%	YES
San Francisco County	075	060502	3,393	868	89	9.3%	896	819	77	8.6%	YES
San Francisco County	075	060900	158	64	21	24.7%	79	60	18	23.1%	YES
San Francisco County	075	061000	2,542	1,073	90	7.7%	1,090	1,012	78	7.1%	YES
San Luis Obispo County	079	010901	5,659	1,834	1,095	37.4%	2,991	2,150	840	28.1%	YES
San Luis Obispo County	079	012800	1,415	107	19	15.1%	140	125	15	10.4%	YES
San Mateo County	081	602100	3,828	1,768	166	8.6%	1,919	1,734	185	9.6%	YES
San Mateo County	081	604300	0	0	0	0.0%	0	0	0	100.0%	YES
San Mateo County	081	606200	7,917	3,241	264	7.5%	3,472	3,178	294	8.5%	YES
San Mateo County	081	610302	2,272	1,178	92	7.2%	1,258	1,155	103	8.2%	YES
San Mateo County	081	610500	5,478	2,397	213	8.2%	2,588	2,350	238	9.2%	YES
San Mateo County	081	610601	6,492	2,819	208	6.9%	2,996	2,764	232	7.7%	YES
San Mateo County	081	611800	4,780	1,835	139	7.0%	1,954	1,799	155	7.9%	YES
San Mateo County	081	611900	8,847	3,401	270	7.4%	3,636	3,335	301	8.3%	YES
San Mateo County	081	612000	7,955	2,820	307	9.8%	3,108	2,765	342	11.0%	YES
San Mateo County	081	613800	4,783	2,652	270	9.2%	2,902	2,600	301	10.4%	YES

**CENSUS TRACTS THAT HAVE AN UNEMPLOYMENT RATE
EQUAL OR GREATER THAN 6.9% FOR 2006.
2006 ANNUAL AVERAGE**

County Name	County FIP Code	2000 Census Tract	2000 Total Population	2000 Labor Force Employment	2000 Labor Force Unemployment	2000 Unemployment Rate	2006 AA Labor Force	2006AA Labor Force Employment	2006 AA Labor Force Unemployment	2006 AA Unemployment Rate	2006 Quality
Santa Cruz County	087	110700	3,616	1,501	149	9.0%	1,744	1,597	147	8.4%	YES
Santa Cruz County	087	120700	5,234	2,618	277	9.6%	3,059	2,786	273	8.9%	YES
Santa Cruz County	087	122500	6,546	2,688	370	12.1%	3,225	2,860	364	11.3%	YES
Santa Cruz County	087	123100	2,480	1,050	124	10.6%	1,239	1,117	122	9.8%	YES
Santa Cruz County	087	123300	1,350	548	104	16.0%	686	583	102	14.9%	YES
Solano County	095	250300	3,367	1,364	149	9.8%	1,736	1,600	136	7.9%	YES
Solano County	095	250501	2,242	872	115	11.7%	1,128	1,023	105	9.3%	YES
Solano County	095	250701	3,261	1,145	138	10.8%	1,469	1,343	126	8.6%	YES
Solano County	095	250900	3,110	1,043	142	12.0%	1,353	1,223	130	9.6%	YES
Solano County	095	251000	2,816	1,269	175	12.1%	1,648	1,488	160	9.7%	YES
Solano County	095	251100	3,436	1,361	144	9.6%	1,728	1,596	132	7.6%	YES
Solano County	095	251200	3,186	1,161	217	15.7%	1,560	1,362	199	12.7%	YES
Solano County	095	251500	3,852	1,589	227	12.5%	2,071	1,863	208	10.0%	YES
Solano County	095	251600	2,986	1,252	147	10.5%	1,603	1,468	135	8.4%	YES
Solano County	095	251701	4,068	1,693	232	12.1%	2,198	1,985	212	9.7%	YES
Solano County	095	251803	5,242	2,096	206	8.9%	2,647	2,458	189	7.1%	YES
Solano County	095	251902	6,381	2,552	247	8.8%	3,219	2,993	226	7.0%	YES
Solano County	095	252502	2,342	608	125	17.1%	827	713	114	13.8%	YES
Solano County	095	252604	4,012	1,624	189	9.4%	2,059	1,904	155	7.5%	YES
Solano County	095	252605	5,125	1,969	222	10.1%	2,512	2,309	203	8.1%	YES
Solano County	095	252606	4,591	1,503	180	10.7%	1,927	1,763	165	8.6%	YES
Solano County	095	252607	3,632	1,324	149	10.1%	1,689	1,553	136	8.1%	YES
Solano County	095	252608	3,953	1,574	188	10.7%	2,018	1,846	172	8.5%	YES
Solano County	095	253000	3,360	0	0	0.0%	0	0	0	100.0%	YES
Solano County	095	253300	2,907	1,177	231	16.4%	1,592	1,380	212	13.3%	YES
Solano County	095	253402	5,561	2,264	227	9.1%	2,863	2,655	208	7.3%	YES
Sonoma County	097	151900	3,282	1,626	137	7.8%	1,896	1,757	139	7.3%	YES
Sonoma County	097	152000	2,377	1,129	211	15.7%	1,434	1,220	214	14.9%	YES
Sonoma County	097	152100	3,218	1,251	147	10.5%	1,501	1,352	149	9.9%	YES
Sonoma County	097	153002	6,836	3,020	250	7.6%	3,517	3,264	254	7.2%	YES
Sonoma County	097	153101	8,096	3,236	393	10.8%	3,896	3,497	399	10.2%	YES
Sonoma County	097	153703	4,080	2,037	251	11.0%	2,456	2,201	255	10.4%	YES
Ventura County	111	000100	843	386	37	8.7%	487	451	36	7.3%	YES
Ventura County	111	000200	2,413	965	132	12.0%	1,254	1,128	127	10.1%	YES

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

Rank	City	County	Total Population
1	Los Angeles	Los Angeles	4,045,873
2	San Diego	San Diego	1,336,865
3	San Jose	Santa Clara	989,496
4	San Francisco	San Francisco	824,525
5	Long Beach	Los Angeles	492,642
6	Fresno	Fresno	486,116
7	Sacramento	Sacramento	475,743
8	Oakland	Alameda	420,183
9	Santa Ana	Orange	353,184
10	Anaheim	Orange	346,823
11	Bakersfield	Kern	328,692
12	Riverside	Riverside	296,842
13	Stockton	San Joaquin	289,927
14	Chula Vista	San Diego	231,305
15	Fremont	Alameda	213,512
16	Modesto	Stanislaus	209,936
17	Irvine	Orange	209,806
18	Glendale	Los Angeles	207,157
19	San Bernardino	San Bernardino	205,493
20	Huntington Beach	Orange	201,993
21	Oxnard	Ventura	194,905
22	Fontana	San Bernardino	188,498
23	Moreno Valley	Riverside	183,860
24	Oceanside	San Diego	178,806
25	Santa Clarita	Los Angeles	177,045
26	Rancho Cucamonga	San Bernardino	174,308
27	Ontario	San Bernardino	173,690
28	Garden Grove	Orange	173,067
29	Pomona	Los Angeles	163,405
30	Santa Rosa	Sonoma	159,981
31	Salinas	Monterey	150,898
32	Hayward	Alameda	149,205
33	Torrance	Los Angeles	148,965
34	Pasadena	Los Angeles	148,126
35	Palmdale	Los Angeles	147,897
36	Corona	Riverside	147,428
37	Lancaster	Los Angeles	145,243
38	Escondido	San Diego	143,389
39	Orange	Orange	143,389
40	Elk Grove	Sacramento	140,849
41	Sunnyvale	Santa Clara	139,542
42	Fullerton	Orange	137,538
43	Thousand Oaks	Ventura	137,437
44	El Monte	Los Angeles	128,650
45	Simi Valley	Ventura	126,053
46	Concord	Contra Costa	125,657
47	Visalia	Tulare	123,776
48	Vallejo	Solano	121,498
49	Inglewood	Los Angeles	121,097

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

Rank	City	County	Total Population
50	Santa Clara	Santa Clara	115,503
51	Costa Mesa	Orange	113,955
52	Downey	Los Angeles	113,379
53	West Covina	Los Angeles	112,666
54	Norwalk	Los Angeles	109,695
55	Roseville	Placer	109,154
56	San Buenaventura	Ventura	108,261
57	Burbank	Los Angeles	108,029
58	Victorville	San Bernardino	107,408
59	Fairfield	Solano	106,753
60	Berkeley	Alameda	106,697
61	Daly City	San Mateo	106,361
62	Carlsbad	San Diego	103,811
63	Richmond	Contra Costa	103,577
64	South Gate	Los Angeles	102,816
65	Temecula	Riverside	101,057
66	Antioch	Contra Costa	100,361
67	Murrieta	Riverside	100,173
68	Rialto	San Bernardino	99,767
69	Compton	Los Angeles	99,242
70	Mission Viejo	Orange	98,572
71	Carson	Los Angeles	97,960
72	El Cajon	San Diego	97,934
73	Vacaville	Solano	96,905
74	San Mateo	San Mateo	95,776
75	Vista	San Diego	95,770
76	Clovis	Fresno	94,278
77	Westminster	Orange	93,027
78	Santa Monica	Los Angeles	91,439
79	Santa Maria	Santa Barbara	91,110
80	Redding	Shasta	90,491
81	Santa Barbara	Santa Barbara	90,305
82	Hawthorne	Los Angeles	90,014
83	Alhambra	Los Angeles	89,259
84	Hesperia	San Bernardino	87,820
85	Citrus Heights	Sacramento	87,321
86	Chico	Butte	86,949
87	Whittier	Los Angeles	86,945
88	Newport Beach	Orange	84,554
89	Livermore	Alameda	83,604
90	Lakewood	Los Angeles	83,486
91	Buena Park	Orange	82,768
92	San Marcos	San Diego	82,743
93	Chino	San Bernardino	82,670
94	San Leandro	Alameda	81,851
95	Tracy	San Joaquin	81,548
96	Indio	Riverside	81,512
97	Baldwin Park	Los Angeles	81,281
98	Merced	Merced	80,608

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

Rank	City	County	Total Population
99	Chino Hills	San Bernardino	78,957
100	Lake Forest	Orange	78,317
101	Redwood City	San Mateo	77,269
102	Bellflower	Los Angeles	77,110
103	Napa	Napa	77,106
104	Alameda	Alameda	75,823
105	Upland	San Bernardino	75,137
106	Tustin	Orange	74,218
107	Hemet	Riverside	74,185
108	Mountain View	Santa Clara	73,932
109	Union City	Alameda	73,402
110	Lynwood	Los Angeles	73,147
111	Folsom	Sacramento	72,590
112	Redlands	San Bernardino	71,807
113	Turlock	Stanislaus	70,158
114	Apple Valley	San Bernardino	70,092
115	Milpitas	Santa Clara	69,419
116	Pleasanton	Alameda	69,388
117	Yorba Linda	Orange	68,312
118	San Clemente	Orange	67,892
119	Redondo Beach	Los Angeles	67,488
120	Laguna Niguel	Orange	66,877
121	Pico Rivera	Los Angeles	66,867
122	Manteca	San Joaquin	66,451
123	Davis	Yolo	65,814
124	Montebello	Los Angeles	65,668
125	Camarillo	Ventura	65,453
126	Walnut Creek	Contra Costa	65,306
127	Huntington Park	Los Angeles	64,747
128	Monterey Park	Los Angeles	64,434
129	Encinitas	San Diego	64,434
130	South San Francisco	San Mateo	63,864
131	Pittsburg	Contra Costa	63,744
132	Palo Alto	Santa Clara	63,652
133	Lodi	San Joaquin	63,367
134	Yuba City	Sutter	63,338
135	La Habra	Orange	62,635
136	Gardena	Los Angeles	62,635
137	National City	San Diego	61,781
138	Rancho Cordova	Sacramento	61,194
139	Diamond Bar	Los Angeles	60,975
140	San Ramon	Contra Costa	60,360
141	San Rafael	Marin	59,002
142	Santa Cruz	Santa Cruz	58,235
143	Paramount	Los Angeles	58,125
144	Fountain Valley	Orange	57,969
145	Rosemead	Los Angeles	57,925
146	Petaluma	Sonoma	57,422
147	Madera	Madera	57,418
			56,710

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population			
Rank	City	County	Total Population
148	La Mesa	San Diego	56,666
149	Arcadia	Los Angeles	56,491
150	Santee	San Diego	56,068
151	Woodland	Yolo	55,867
152	Tulare	Tulare	55,690
153	Cupertino	Santa Clara	55,551
154	Cerritos	Los Angeles	54,870
155	Delano	Kern	53,855
156	Rocklin	Placer	53,843
157	Perris	Riverside	53,605
158	Novato	Marin	52,737
159	Highland	San Bernardino	52,503
160	Cathedral City	Riverside	52,465
161	Glendora	Los Angeles	52,362
162	Yucaipa	San Bernardino	52,063
163	Hanford	Kings	51,965
164	Colton	San Bernardino	51,918
165	Porterville	Tulare	51,863
166	Placentia	Orange	51,863
167	Watsonville	Santa Cruz	51,727
168	Gilroy	Santa Clara	51,703
169	Poway	San Diego	51,173
170	Palm Desert	Riverside	51,103
171	Brentwood	Contra Costa	50,907
172	La Mirada	Los Angeles	50,092
173	Lake Elsinore	Riverside	49,807
174	Rancho Santa Margarita	Orange	49,764
175	Covina	Los Angeles	49,552
176	Cypress	Orange	49,541
177	Azusa	Los Angeles	49,541
178	Palm Springs	Riverside	48,743
179	West Sacramento	Yolo	47,251
180	Dublin	Alameda	47,068
181	Bell Gardens	Los Angeles	46,934
182	Aliso Viejo	Orange	46,766
183	San Luis Obispo	San Luis Obispo	44,697
184	Newark	Alameda	43,872
185	San Bruno	San Mateo	43,444
186	El Centro	Imperial	43,316
187	La Puente	Los Angeles	43,256
188	Rohnert Park	Sonoma	43,062
189	Rancho Palos Verdes	Los Angeles	42,964
190	La Quinta	Riverside	42,958
191	Lompoc	Santa Barbara	42,957
192	Ceres	Stanislaus	42,813
193	San Gabriel	Los Angeles	42,762
194	Danville	Contra Costa	42,629
195	Culver City	Los Angeles	40,694
196	Coachella	Riverside	40,517

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population			
Rank	City	County	Total Population
197	Campbell	Santa Clara	40,161
198	Brea	Orange	40,081
199	Lincoln	Placer	39,758
200	Pacifica	San Mateo	39,616
201	Monrovia	Los Angeles	39,327
202	Stanton	Orange	39,276
203	Morgan Hill	Santa Clara	39,218
204	Bell	Los Angeles	38,762
205	Calexico	Imperial	38,733
206	West Hollywood	Los Angeles	37,563
207	Claremont	Los Angeles	37,242
208	Hollister	San Benito	37,051
209	Montclair	San Bernardino	37,017
210	Dana Point	Orange	36,982
211	San Dimas	Los Angeles	36,874
212	Moorpark	Ventura	36,814
213	San Juan Capistrano	Orange	36,782
214	Manhattan Beach	Los Angeles	36,505
215	Martinez	Contra Costa	36,144
216	Los Banos	Merced	36,052
217	Beverly Hills	Los Angeles	35,983
218	Temple City	Los Angeles	35,683
219	San Jacinto	Riverside	35,672
220	Seaside	Monterey	34,194
221	La Verne	Los Angeles	34,046
222	Lawndale	Los Angeles	33,540
223	Laguna Hills	Orange	33,421
224	Pleasant Hill	Contra Costa	33,377
225	Oakley	Contra Costa	33,210
226	East Palo Alto	San Mateo	32,897
227	Walnut	Los Angeles	32,299
228	Saratoga	Santa Clara	31,592
229	Menlo Park	San Mateo	31,490
230	Beaumont	Riverside	31,477
231	San Pablo	Contra Costa	31,190
232	Goleta	Santa Barbara	30,400
233	Foster City	San Mateo	30,308
234	Los Gatos	Santa Clara	30,296
235	Maywood	Los Angeles	29,971
236	El Paso De Robles	San Luis Obispo	29,934
237	Santa Paula	Ventura	29,539
238	Monterey	Monterey	29,322
239	Burlingame	San Mateo	28,867
240	San Carlos	San Mateo	28,857
241	Atascadero	San Luis Obispo	28,590
242	Banning	Riverside	28,348
243	Los Altos	Santa Clara	28,291
244	Imperial Beach	San Diego	28,200
245	Suisun City	Solano	28,193

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population			
Rank	City	County	Total Population
246	Adelanto	San Bernardino	28,181
247	Ridgecrest	Kern	28,038
248	Benicia	Solano	27,978
249	Twentynine Palms	San Bernardino	27,966
250	Soledad	Monterey	27,905
251	Atwater	Merced	27,571
252	Norco	Riverside	27,255
253	Windsor	Sonoma	26,564
254	Brawley	Imperial	26,513
255	Paradise	Butte	26,368
256	Eureka	Humboldt	26,157
257	Belmont	San Mateo	26,078
258	Desert Hot Springs	Riverside	26,068
259	Corcoran	Kings	26,047
260	Seal Beach	Orange	25,986
261	Cudahy	Los Angeles	25,879
262	South Pasadena	Los Angeles	25,792
263	Lemon Grove	San Diego	25,611
264	Reedley	Fresno	25,584
265	San Fernando	Los Angeles	25,230
266	Laguna Beach	Orange	25,131
267	Sanger	Fresno	25,046
268	Wasco	Kern	24,999
269	Lemoore	Kings	24,502
270	Hercules	Contra Costa	24,324
271	Lafayette	Contra Costa	23,962
272	Barstow	San Bernardino	23,952
273	Galt	Sacramento	23,913
274	Calabasas	Los Angeles	23,725
275	South Lake Tahoe	El Dorado	23,725
276	Agoura Hills	Los Angeles	23,337
277	El Cerrito	Contra Costa	23,320
278	Selma	Fresno	23,284
279	Coronado	San Diego	23,101
280	Duarte	Los Angeles	22,953
281	Loma Linda	San Bernardino	22,632
282	South El Monte	Los Angeles	22,391
283	Port Hueneme	Ventura	22,202
284	Riverbank	Stanislaus	21,757
285	Blythe	Riverside	21,695
286	Millbrae	San Mateo	21,695
287	La Canada Flintridge	Los Angeles	21,387
288	Yucca Valley	San Bernardino	21,276
289	Patterson	Stanislaus	21,268
290	Dinuba	Tulare	21,229
291	Lomita	Los Angeles	21,087
292	Hermosa Beach	Los Angeles	21,056
293	Oakdale	Stanislaus	19,527
294	Pinole	Contra Costa	19,337
			19,193

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

Rank	City	County	Total Population
295	Marina	Monterey	19,171
296	Coalinga	Fresno	19,063
297	Chowchilla	Madera	18,780
298	Laguna Woods	Orange	18,442
299	Santa Fe Springs	Los Angeles	17,790
300	Dixon	Solano	17,577
301	Susanville	Lassen	17,570
302	Arcata	Lassen	17,558
303	Arcata	Humboldt	17,552
303	Artesia	Los Angeles	17,552
304	Orinda	Contra Costa	17,542
305	Lathrop	San Joaquin	17,429
306	Greenfield	Monterey	17,316
307	Rancho Mirage	Riverside	17,057
308	Arroyo Grande	San Luis Obispo	17,036
309	El Segundo	Los Angeles	17,002
310	Albany	Los Angeles	16,877
310	Albany	Alameda	16,877
311	Avenal	Kings	16,609
312	Arvin	Kern	16,517
312	Arvin	Kern	16,293
313	American Canyon	Napa	16,176
314	La Palma	Orange	16,165
315	Truckee	Nevada	16,138
316	Moraga	Contra Costa	16,138
317	Hawaiian Gardens	Los Angeles	15,900
318	Ukiah	Mendocino	15,758
319	Fillmore	Ventura	15,641
320	Shafter	Kern	15,609
320	Shafter	Kern	15,472
321	Pacific Grove	Monterey	14,915
322	Ripon	San Joaquin	14,915
323	Oroville	Butte	14,490
324	California City	Kern	14,365
325	Carpinteria	Santa Barbara	14,271
326	Clearlake	Lake	14,247
327	Palos Verdes Estates	Los Angeles	14,046
328	Mill Valley	Marin	13,925
329	Kerman	Fresno	13,878
330	Red Bluff	Tehama	13,828
331	Livingston	Merced	13,795
332	Malibu	Los Angeles	13,700
333	Commerce	Los Angeles	13,536
334	Solana Beach	San Diego	13,500
335	San Marino	Los Angeles	13,455
336	Mcfarland	Kern	13,390
337	Parlier	Fresno	13,325
338	Auburn	Placer	13,273
339	Grover Beach	San Luis Obispo	13,213
340	Tehachapi	Kern	13,089
341	Half Moon Bay	Kern	13,046
342	Grass Valley	San Mateo	12,929
343	Imperial	Nevada	12,929
343	Imperial	Imperial	12,752

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

Rank	City	County	Total Population
		Yuba	12,719
344	Marysville	Yuba	12,601
345	San Anselmo	Marin	12,543
346	Grand Terrace	San Bernardino	12,204
347	Larkspur	Marin	12,191
348	Los Alamitos	Orange	11,852
349	King City	Monterey	11,706
350	Healdsburg	Sonoma	11,697
351	Scotts Valley	Santa Cruz	11,596
352	Lindsay	Tulare	11,402
353	Signal Hill	Los Angeles	11,374
354	Fortuna	Humboldt	11,272
355	Hillsborough	San Mateo	11,257
356	Kingsburg	Fresno	11,116
357	Sierra Madre	Los Angeles	11,100
358	Piedmont	Alameda	11,051
359	Canyon Lake	Riverside	10,784
360	Clayton	Contra Costa	10,774
361	Orange Cove	Fresno	10,705
362	Exeter	Tulare	10,586
363	Newman	Stanislaus	10,579
364	Anderson	Shasta	10,572
365	Farmersville	Tulare	10,548
366	Morro Bay	San Luis Obispo	10,279
367	Shasta Lake	Shasta	10,271
368	Placerville	El Dorado	10,015
369	Capitola	Santa Cruz	9,943
370	Sonoma	Sonoma	9,787
371	Mendota	Fresno	9,727
372	Emeryville	Alameda	9,512
373	Corte Madera	Marin	9,228
374	Taft	Kern	8,917
375	Tiburon	Marin	8,867
376	Westlake Village	Los Angeles	8,837
377	Los Altos Hills	Santa Clara	8,803
378	Gonzales	Monterey	8,763
379	Waterford	Stanislaus	8,603
380	Pismo Beach	San Luis Obispo	8,577
381	Cloverdale	Sonoma	8,539
382	Live Oak	Sutter	8,185
383	Rolling Hills Estates	Los Angeles	8,156
384	Ojai	Ventura	8,071
385	Rio Vista	Solano	7,774
386	Calipatria	Imperial	7,714
387	Sebastopol	Sonoma	7,683
388	Crescent City	Del Norte	7,553
389	Huron	Fresno	7,536
390	Calimesa	Riverside	7,532
391	Cotati	Sonoma	7,524
392	Woodlake	Tulare	7,524

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

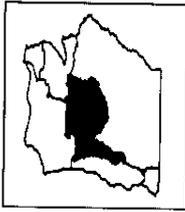
Rank	City	County	Total Population
		Marin	7,503
393	Sausalito	Marin	7,475
394	Atherton	San Mateo	7,441
395	Yreka	Siskiyou	7,416
396	Ione	Amador	7,413
397	Mammoth Lakes	Mono	7,412
398	Fairfax	Marin	7,353
399	Orland	Glenn	7,226
400	Corning	Tehama	7,131
401	Escalon	San Joaquin	7,052
402	Winters	Yolo	6,890
403	Fort Bragg	Mendocino	6,811
404	Firebaugh	Fresno	6,624
405	Loomis	Placer	6,541
406	Guadalupe	Santa Barbara	6,502
407	Willows	Glenn	6,467
408	Holtville	Imperial	6,403
409	Gridley	Butte	6,259
410	Villa Park	Orange	6,256
411	Big Bear Lake	San Bernardino	6,187
412	Hughson	Stanislaus	6,140
413	La Habra Heights	Los Angeles	5,924
414	St Helena	Napa	5,807
415	Needles	San Bernardino	5,727
416	Colusa	Colusa	5,625
417	Woodside	San Mateo	5,572
418	Fowler	Fresno	5,555
419	Solvang	Santa Barbara	5,310
420	Williams	Colusa	5,302
421	Calistoga	Napa	5,199
422	Gustine	Merced	5,045
423	Lakeport	Lake	5,032
424	Willits	Mendocino	5,025
425	Indian Wells	Riverside	5,024
426	Dos Palos	Merced	4,700
427	Buellton	Santa Barbara	4,698
428	Sonora	Tuolumne	4,639
429	Portola Valley	San Mateo	4,580
430	Del Mar	San Diego	4,521
431	San Joaquin	Fresno	4,319
432	Jackson	Amador	4,049
433	Carmel-By-The-Sea	Monterey	3,861
434	Brisbane	San Mateo	3,602
435	Mount Shasta	Siskiyou	3,593
436	Angels City	Calaveras	3,579
437	Monte Sereno	Santa Clara	3,551
438	Bishop	Inyo	3,532
439	Avalon	Los Angeles	3,510
440	Wheatland	Yuba	3,284
441	Rio Dell	Humboldt	3,284

2008 City Population Rankings

California Cities Ranked by 1/1/2008 Total Population

Rank	City	County	Total Population
442	Yountville	Napa	3,263
443	Nevada City	Nevada	3,074
444	Weed	Siskiyou	3,030
445	Sutter Creek	Amador	2,902
446	Alturas	Modoc	2,804
447	Westmorland	Imperial	2,406
448	Ross	Marin	2,393
449	Belvedere	Marin	2,161
450	Portola	Plumas	2,051
451	Hidden Hills	Los Angeles	2,016
452	Rolling Hills	Los Angeles	1,967
453	San Juan Bautista	San Benito	1,874
454	Colfax	Placer	1,855
455	Dunsmuir	Siskiyou	1,831
456	Biggs	Butte	1,776
457	Irwindale	Los Angeles	1,724
458	Del Rey Oaks	Monterey	1,627
459	Colma	San Mateo	1,613
460	Montague	Siskiyou	1,496
461	Ferndale	Humboldt	1,428
462	Blue Lake	Humboldt	1,166
463	Maricopa	Kern	1,132
464	Plymouth	Amador	1,033
465	Tulelake	Siskiyou	970
466	Bradbury	Los Angeles	948
467	Dorris	Siskiyou	864
468	Loyalton	Sierra	851
469	Isleton	Sacramento	817
470	Industry	Los Angeles	798
471	Etna	Siskiyou	751
472	Fort Jones	Siskiyou	657
473	Point Arena	Mendocino	493
474	Tehama	Tehama	429
475	Trinidad	Humboldt	314
476	Sand City	Monterey	298
477	Amador	Amador	208
478	Vernon	Los Angeles	95

Land and Population: 2030

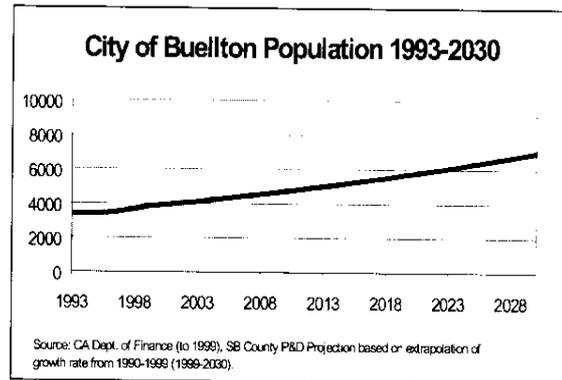
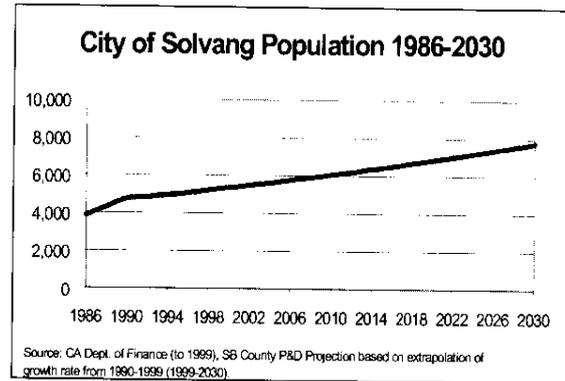


Area of study for p. 25-27

A CLOSE LOOK AT THE SANTA YNEZ VALLEY

The Cities of Solvang and Buellton and the Communities of Santa Ynez, Ballard and Los Olivos

From 1970 to 2000, the Santa Ynez Valley population almost doubled from 8,400 to over 14,500 residents (*SB Co P&D, 2000*). During these thirty years, the valley changed from a sleepy ranching community with a few supporting town centers to a high-end estate area with two cities (Solvang, 1985 and Buellton, 1993). Hills once covered with cattle are now covered with wine grapes. Solvang became a major tourist destination, developing a substantial hotel and retail commercial base. Residential growth expanded north and east along Alamo Pintado Creek and south toward the river. Buellton grew from a small highway-serving town into the valley's second commercial hub with visitor and valley-serving retail and light industrial uses. After incorporating, Buellton developed a number of residential tracts to the east and west, approaching the city's sphere of influence boundary by 2000. In the unincorporated areas, ranch land has been increasingly subdivided into estates and ranchettes, particularly between Los Olivos and Santa Ynez. The influx of wineries and vineyards has changed the landscape, while broadening both the agricultural and tourist industries.



LOS ALAMOS

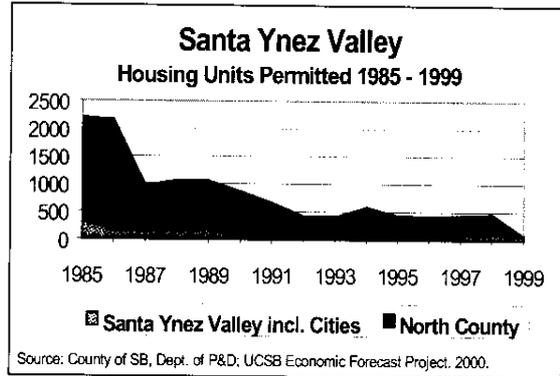
Located in the scenic Los Alamos Valley between the Santa Ynez and Santa Maria Valleys, Los Alamos is an unincorporated community that dates back to 1879. The town was founded and still serves as an agricultural support center for products grown in the fertile valley. The Los Alamos Community Plan was adopted in 1994. The residents wanted to preserve their historic resources and rural character while improving public services and adding commercial conveniences. New residential development is approved or proposed on most residential lands in the town. Los Alamos' population is now over 1200 residents.

JUST THE FACTS: Since 1975, traffic volumes at the junction between State Routes 246 and 154 have increased by nearly 100%. Source: UCSB Economic Forecast Project, 2000.

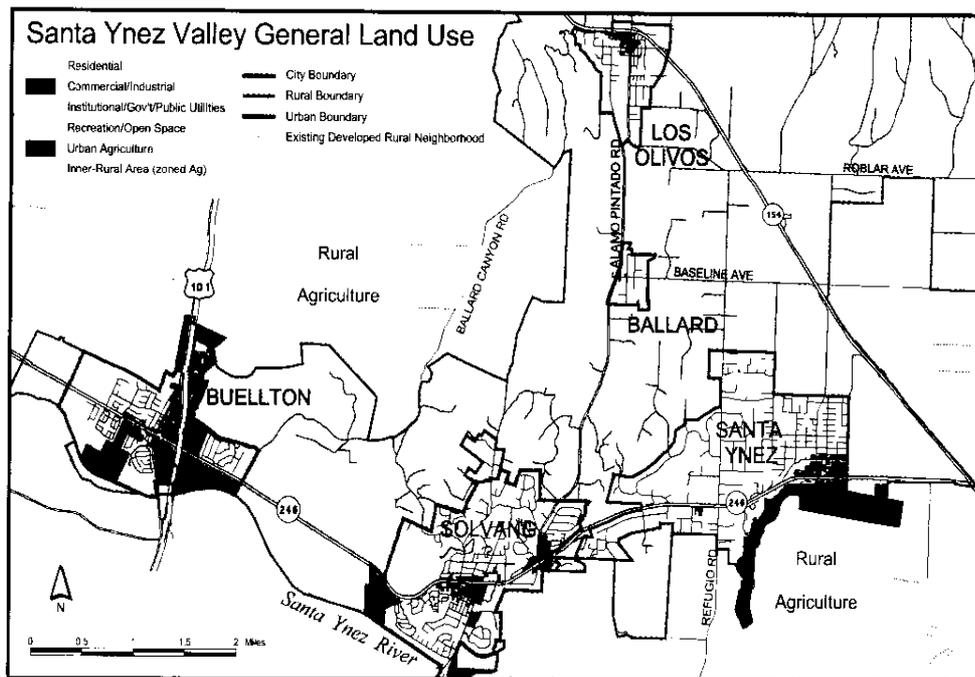
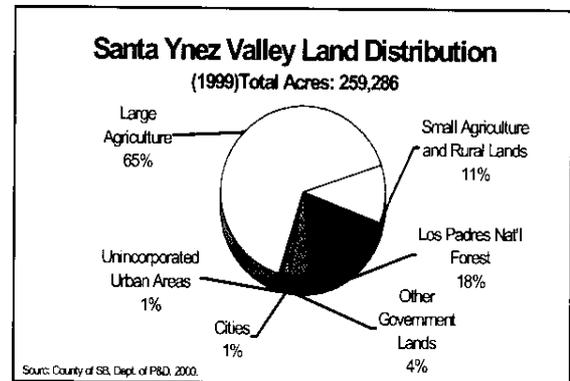
Land and Population: 2030

The Last Thirty Years

From 1970 to 2000 over 20,000 acres of rural ranch and agricultural land were subdivided in the Santa Ynez Valley (SB Co. P&D, 1999). In the valley's outlying areas, a number of large ranches were developed into 100-acre ranchettes, while closer to Los Olivos, ranchland was subdivided to create the 20-acre Woodstock Ranch and Rancho Ynisita developments. In the 'triangle' between Santa Ynez, Ballard, and Los Olivos, several hundred one-, five- and ten-acre estates or ranchettes were developed. This subdivided Santa Ynez Valley is increasingly suburban, particularly in the "inner rural" triangle between the three towns. The township of Santa Ynez developed many of its smaller parcels, requiring extension of sewer services from Solvang which lead to further "in-town" development. The towns of Ballard and Los Olivos also grew. The latter experienced the most commercial development of the three towns, with inn, hotel, and retail development stimulated by the valley's growing wine industry. In addition to mostly visitor serving commercial, the cities of Solvang and Buellton built hundreds of residences between 1985 and 2000. Both areas have nearly reached residential buildout within their current boundaries. Both may be limited from expanding to the south by the Santa Ynez River and are currently discussing a greenbelt protection concept that would prevent urban development within a strip of land between them.

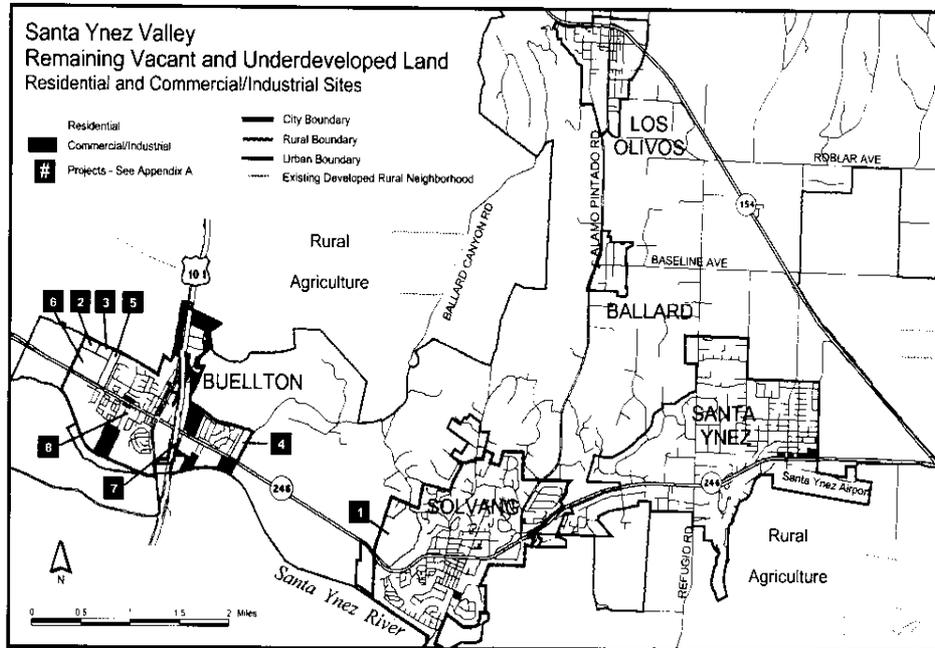


The Santa Ynez Valley contributed 13% of the housing units built in North County from 1985-1999.



Land and Population: 2030

Of 2,768 acres of residentially zoned land in the Santa Ynez Valley, 418 acres are vacant and potentially buildable. Of 765 acres of commercially or industrially zoned land, 187 acres are vacant and potentially buildable. These mapped vacant lands include only those parcels 4 acres or greater and some may have projects that are already pending or approved.



The Next Thirty Years

By 2030, the valley may face a population increase of 6,000 or more residents, (*SB Co. P&D extrapolation of 1990-1999 DOF data*), requiring up to 1,900 new housing units. As relatively little undeveloped residential land remains in either the cities or the unincorporated areas, pressure will increase on both the county and cities to convert agricultural land to meet housing demand. Remaining vacant parcels in Solvang and Buellton could accommodate about 675 additional units, leaving a potential unmet demand for up to 1,450 units. At typical valley urban densities of 3 to 4 units per acre, up to 440 acres of land would be needed to meet demand. At estate or ranchette densities common in the unincorporated area, far more land would be needed.

The location of future growth in the Valley may be constrained both by natural features and government policy (such as agricultural protection policies). Solvang's and Buellton's growth will likely be constrained by the Santa Ynez River to the south, pending greenbelt discussions for the area between the cities and, to some extent, by steep topography to the north. Urban growth pressure is likely to be felt most to the north along the Highway 101 and Alamo Pintado creek corridors, and to the west of Buellton, where agricultural lands are scheduled to leave the protection of the Agricultural Preserve program in 2004. Pressure for growth over the next 30 years will require valley residents to consider several major issues:

- Vacant residentially zoned land, already limited, will be exhausted soon. Upward pressure on housing prices will continue exacerbating the valley's lack of affordable housing. Limited small lot single-family and multiple-family zoning may severely limit future production of affordable housing.
- Cities and counties, feeling the pressure to meet future housing demand, will consider increasing housing densities and/or expanding urban development into agricultural and open space land. Lands north and west of Buellton, between Hwy 246 to the south, near Alamo Pintado/Grand Avenue, and along Hwy 254 to the east and north will be most vulnerable to residential development pressure.
- Increased commuting, resulting from relatively expensive housing on the South Coast and a limited job base in the Valley, will create strong pressure to widen Highways 154 and 246. This would impact the valley's rural character and other resources such as oak woodlands.

**CALIFORNIA WINERIES & VINEYARDS LLC
COMMON STOCK PURCHASE AGREEMENT**

THIS AGREEMENT is made and entered into as of this ___ day of month, year, by and between California Wineries & Vineyards (the “**Company**”), a California corporation, and @@PurchaserFullName@@ (the “**Purchaser**”).

Background

The Company has authorized the issuance, sale, and delivery of up to 1,000,000 shares of common stock of the Company. The proceeds from the sale of the common stock will be used for purchase and investment into wineries and vineyards located within California, and general working capital purposes. The Company and Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration pursuant to Section 4(2), 3(b), and/or Regulation D “**Regulation D**” as promulgated by the U.S. Securities and Exchange Commission (the “**SEC**”) under the Securities Act of 1933, as amended (the “**1933 Act**”).

Agreement

For and in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchaser hereby agree as follows:

Section 1. Sale of Shares.

Section 1.1 Authorization, Issuance, and Sale.

The Company has authorized the issuance, sale, and delivery of up to 10,000 shares of Company common stock, par value \$.001. The Company agrees to issue, sell, and deliver to Purchaser and Purchaser agrees to purchase from the Company, the 10,000 shares of Company common stock, par value \$.001 (the “**Purchased Securities**”) at a purchase price equal to \$50.00 per share for an aggregate purchase price of \$500,000 (the “**Purchase Price**”).

Section 1.2 Escrow Agreement.

To facilitate the Closing, prior to executing this Agreement, the parties shall enter into an escrow agreement in substantially the form of **Exhibit C**, attached hereto (the “**Escrow Agreement**”) which will allow for the establishment of an escrow account as defined and described therein (the “**Escrow Account**”).

Section 1.3 Escrow; Deposits to, Disbursements from.

The Purchaser

Shall make transfers of the Purchase Price, or portions thereof, to the Escrow Account in accordance with the terms, conditions, and requirements of the Escrow Agreement

Section 1.4 Initial and Additional Closings.

Upon the transfer of all sums comprising the Purchase Price to the Escrow Account, the closing of the purchase and sale of the Purchased Securities shall take place at the office of Natural Econometric Inc., 177 Bovet Road, Suite 600, San Mateo, California 94402 at a time to be determined, or at such other location, date, and time as may be agreed upon between Purchaser and the Company. The closing is referred to in this Agreement as the "Closing" and such date and time is referred to in this Agreement as the "Closing Date".

Section 1.5 Rescission Right.

In the event Purchaser is not approved for conditional resident status, at Purchaser's option, \$500,000 of the Purchase Price shall be either (i) converted into a promissory note in principal amount of \$500,000, having the same terms as the Call Note as defined below); or (ii) minus all legal and escrow expenses then return back to Purchaser.

Section 1.6 Deliveries at Closing.

At Closing the Company shall deliver to the Purchaser:

- (a) a copy of this Agreement, executed by the Company;
- (b) a certificate in definitive form, registered in the name of the Purchaser representing the Purchased Securities purchased by such Purchaser (the "Certificate"); and
- (c) a Secretary Certificate attaching the Certificate of Incorporation and Bylaws of the Company, each as amended through the date hereof.

Section 2. Purchaser Representations and Warranties.

Purchaser represents and warrants with respect to only itself that:

- (a) The Purchased Securities being acquired by Purchaser will be acquired for Purchaser's own account without the participation of any other person, with the intent of holding the Purchased Securities for investment and without the intent of participating, directly or indirectly, in a distribution of the Purchased Securities and not with a view to, or for resale in connection with, any distribution of the Purchased Securities, nor is Purchaser aware of the existence of any distribution of the Purchased Securities;
- (b) Purchaser is able to bear the economic risks of the investment in the Purchased Securities, including the risk of a complete loss of Purchaser's investment therein;
- (c) Purchaser understands and agrees that the Purchased Securities will be issued and sold to Purchaser without registration under any state law relating to the registration of securities for sale, and will be issued and sold in reliance on the exemptions from registration under the 1933 Act provided by Sections 3(b) and/or 4(2) thereof and the rules and regulations promulgated thereunder;

(d) The Purchased Securities cannot be offered for sale, sold or transferred by Purchaser other than pursuant to: (A) an effective registration under the 1933 Act or in a transaction otherwise in compliance with the 1933 Act; and (B) evidence satisfactory to the Company of compliance with the applicable securities laws of other jurisdictions. The Company shall be entitled to rely upon an opinion of counsel satisfactory to it with respect to compliance with the above laws;

(e) Purchaser has had the opportunity to ask questions of and receive answers from the Company and any person acting on its behalf and to obtain all material information reasonably available with respect to the Company and its affairs;

(f) Purchaser has full power and authority to execute, deliver, and perform this Agreement without the consent or approval of any other person that has not been obtained on or prior to the date hereof;

(g) This Agreement is the legal, binding, and valid obligation of Purchaser, enforceable against Purchaser in accordance with its terms; and

(h) The information concerning Purchaser in the Purchaser Questionnaire in the form of *Exhibit B* hereto, completed by Purchaser and returned to the Company, is true, correct, and complete.

(i) Purchaser has read and understands the Risk Factors attached to the Disclosure Schedule.

Section 3. Representations of the Company

The Company hereby represents and warrants to the Purchaser that, except as otherwise set forth in the Disclosure Schedule, which Disclosure Schedule makes explicit reference to the particular representation or warranty as to which exception is taken, which in each case shall constitute the sole representation and warranty as to which such exception shall apply:

Section 3.1 Organization, Standing and Corporate Power and Authority.

The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of California. The Company has all requisite power and authority to own, lease, and operate all properties and assets to be owned or leased by it and to conduct the business proposed to be conducted by it. The Company does not (i) own of record or beneficially, directly or indirectly, (A) any shares of capital stock or securities convertible into capital stock of any corporation, or (B) any participating interest in any partnership, joint venture, or other noncorporate business enterprise, or (ii) control, directly or indirectly, any other entity.

Section 3.2 Validity and Authorization.

The Company has full corporate power and authority to execute, deliver, and perform this Agreement. This Agreement has been duly authorized, executed, and delivered by the Company, and constitutes the legal, valid, and binding obligation of the Company, enforceable against the Company in accordance with its terms. The Purchased Securities have been duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid, and nonassessable. The Purchased

Securities, when issued in accordance with this Agreement, will be free and clear of all liens, charges, restrictions, claims, and encumbrances. The issuance, sale, and delivery of the Purchased Securities is not subject to any preemptive right, right of first refusal, or other right in favor of any person, except as set forth in the Certificate of Incorporation.

Section 3.3 Conflicts and Consents.

The execution, delivery, and performance of this Agreement and each Collateral Agreement, and the consummation of the transactions contemplated hereby and thereby will not result in any violation of the terms of, and will not contravene, conflict with, accelerate the performance of the obligations required under, or constitute a default under, the Company's Certificate of Incorporation or bylaws, or any agreement, judgment, decree, order, law, rule, or regulation or other restriction applicable to it, or to which it is a party or by which it or its properties or assets is bound, or result in the creation of any mortgage, pledge, lien, encumbrance, or charge upon any of the properties or assets of the Company. All consents, qualifications, orders, approvals, or authorizations of, or filings with, any governmental or regulatory authority, or any third party, required in connection with the Company's valid execution, delivery, or performance of this Agreement or the consummation of the transactions contemplated hereby or thereby have been duly obtained.

Section 3.4 Authorized Capital.

Immediately prior to the Closing, the authorized capital of the Company will consist of _____ shares of Common Stock, _____ of which will be validly issued and outstanding, fully paid and nonassessable. All issued and outstanding Common Stock is owned of record and beneficially by the persons and in the amounts set forth in **Section 3.4** of the Disclosure Schedule. The relative rights, powers, preferences, qualifications, limitations, and restrictions in respect of each class of authorized shares of the Company are as set forth in the Certificate of Incorporation, as amended, and all such rights, powers, preferences, qualifications, limitations, and restrictions are valid, binding, and enforceable and in accordance with all applicable laws. Except as set forth in **Section 3.4** of the Disclosure Schedule, (a) no person owns of record or is known to the Company to own beneficially any equity securities of the Company, (b) no subscription, warrant, option, convertible security, or other right contingent or other to purchase or otherwise acquire equity securities of the Company is authorized or outstanding, and (c) there is no commitment by the Company to issue Shares, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities, any evidence of indebtedness, or any assets, except as contemplated by this Agreement. Except as set forth in the Certificate of Incorporation, the Company has no obligation contingent or other to purchase, redeem, or otherwise acquire any of its equity securities or any interests therein or to pay any dividend or make any other distribution in respect thereof. Except as set forth in **Section 3.4** of the Disclosure Schedule, there are no voting trusts or agreements, preemptive rights, or proxies relating to any securities of the Company whether or not the Company is a party thereto. All of the outstanding securities of the Company were issued in compliance with all applicable federal and state securities laws.

Section 3.5 Corporate Documents.

(a) The Company has delivered to Purchaser a true and correct copy of (i) the Certificate of Incorporation and all amendments thereto and restatements thereof; and (ii) the Bylaws of the Company and all amendments thereto.

(b) The minute books of the Company made available to Purchaser prior to the date hereof accurately reflect all corporate action taken by the directors and shareholders of the Company or any committee of the Board of Directors of the Company, and contain true and accurate copies of, or originals of the respective minutes of, all meetings or consent actions of the directors, any committee of the Board of Directors, or the shareholders.

(c) The stock transfer ledger of the Company, made available to Purchaser prior to the date hereof, accurately reflects the ownership of all outstanding securities issued by the Company, and contain complete and accurate records with respect to the transfer of all securities issued by the Company and each investment since inception.

Section 3.6 Financial Statements.

Attached as **Section 3.6** to the Disclosure Schedule are true, correct, and complete copies of: an unaudited Balance Sheet dated December 31, 200_ (the "**Balance Sheet**"), and the unaudited financial statements of the Company dated as of [December 31, _____ and unaudited statements of income, cash flow, and stockholders equity for the periods then ended, (collectively, the "**Financial Statements**"). The Financial Statements (i) are in accordance with the books and records of the Company, (ii) present fairly the financial condition of the Company as of the respective dates indicated and the results of operations for such periods, and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except that unaudited statements omit footnotes and are subject to year-end audit adjustments. The books, records, and accounts of the Company accurately and fairly reflect, in reasonable detail, all transactions, assets, and liabilities of the Company. The Company has not engaged in any transaction, maintained any bank account, or used any of the funds of the Company, except for transactions, bank accounts, and funds that have been, and are, reflected in the normally maintained books and records of the Company.

Section 3.7 Litigation; Compliance with Law.

There is no (i) action, suit, claim, proceeding, or investigation pending or, to the best of the Company's knowledge, threatened against or affecting the Company, at law or in equity, by or before any Federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, (ii) arbitration proceeding relating to the Company pending under collective bargaining agreements or otherwise, or (iii) governmental inquiry pending or, to the best of the Company's knowledge, threatened against or affecting the Company including without limitation any inquiry as to the qualification of the Company to hold or receive any license or permit, and there is no basis known to the Company for any of the foregoing. The Company has not received any opinion, memorandum, or legal advice from legal counsel to the effect that the Company is exposed, from a legal standpoint, to any liability or disadvantage which may be material to the Company's business, prospects, financial condition, operations, properties, or affairs. The Company is not subject to any order, writ, injunction, or decree known to or served upon the Company of any court or of any Federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign. There is no action or suit by the Company pending or threatened against others. The Company is, to the best of its knowledge, in material compliance with all laws, rules, regulations, and orders applicable to the Company's business. There is no existing law, rule, regulation, or order nor is the Company aware of any proposed law, rule, regulation, or order, whether Federal or state, which would prohibit or restrict the Company from, or otherwise materially adversely affect the Company in, conducting

its business in any jurisdiction in which it is now conducting business or in which it proposes to conduct business.

Section 3.8 Proprietary Information of Third Parties.

The Company is not aware that any of its employees, officers, or consultants is obligated under any contract or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with his or her obligation to use his or her best efforts to promote the interests of the Company. To the best of the Company's knowledge, no third party has claimed nor has reason to claim that any person employed by or affiliated with the Company has violated or may be violating any of the terms or conditions of his or her employment, noncompetition, or nondisclosure agreement with such third party, disclosed or may be disclosing, or utilized or may be utilizing any trade secret or proprietary information or documentation of such third party, or interfered or may be interfering in the employment relationship between such third party and any of its present or former employees. No third party has requested information from the Company which suggests that such a claim might be contemplated. To the best of the Company's knowledge, no person employed by or affiliated with the Company has employed or proposes to employ any trade secret or any information or documentation proprietary to any former employer, and to the best of the Company's knowledge, no person employed by or affiliated with the Company has violated any confidential relationship which such person may have had with any third party, in connection with the development, manufacture, or sale of any product or proposed product or the development or sale of any service or proposed service of the Company, and the Company has no reason to believe there will be any such employment or violation. To the best of the Company's knowledge, none of the execution or delivery of this Agreement, the carrying on of the business of the Company by its officers, employees, or agents, or the proposed conduct of the business of the Company, will conflict with or result in a breach of the terms, conditions, or provisions of or constitute a default under any contract, covenant, or instrument under which any such person is obligated.

Section 3.9 Title to Properties.

The Company has good and marketable title to all the tangible properties and assets owned by it, free and clear of all mortgages, pledges, security interests, liens, charges, claims, restrictions, and other encumbrances, except liens for current taxes not yet due and payable and minor imperfections of title, if any, not material in nature or amount and not materially detracting from the value or impairing the use of the property subject thereto or impairing the operations or proposed operations of the Company. The Company owns or leases all tangible properties and assets necessary to the operation of its business as now conducted.

Section 3.80 Leasehold Interests.

Each lease or agreement to which the Company is a party under which it is a lessee of any property, real or personal, is a valid and subsisting agreement without any default of the Company thereunder and, to the best of the Company's knowledge, without any default thereunder of any other party thereto. No event has occurred and is continuing which, with due notice or lapse of time or both, would constitute a default or event of default by the Company under any such lease or agreement or, to the best of the Company's knowledge, by any other party thereto. The Company's possession of such property has not been disturbed and, to the best of the Company's knowledge, no claim has been asserted against the Company adverse to its rights in such leasehold interests.

Section 3.91 Brokers.

The Company has no contract, arrangement, or understanding with any broker, finder, or similar agent with respect to the transactions contemplated by this Agreement.

Section 3.10 Correctness of Disclosures.

No representation or warranty of the Company in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein not misleading. The Company has distributed disclosure materials that describe the Company and its business, including the business plan attached to the Disclosure Schedule as Section 3.13. All such materials were prepared by the Company in good faith and, as of the respective dates thereof, represented management views of the strategic direction, tactical objectives, and prospects of the Company's business. No representation and warranty is made that the Company will strictly adhere to matters disclosed in the Business Plan.

Section 4. Purchaser Rights Provisions

Section 4.1

Definitions.

The following capitalized terms are used in this Section 4 and in Section 5 with the meanings thereafter ascribed.

“Commission”

means the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

“Disposition” means any conveyance, sale, transfer, assignment, pledge, or hypothecation of the Purchased Securities or any rights therein, whether such transfer is outright or conditional, *inter vivos* or testamentary, voluntary or involuntary, or for or without consideration, including without limitation, the right to vote the Purchased Securities and the right to possession of the Purchased Securities as collateral for indebtedness.

“Exchange Act”

means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

“Fair Value” means the value of one share of Common Stock determined as set forth below, as of the Business Day which immediately precedes the date for which Fair Value is determined.

(a) If the Common Stock *is not* Publicly Traded, “Fair Value” means an amount determined by the Board of Directors in good faith. In making the determination of the Fair Value pursuant to this subparagraph (a), the Board of Directors shall assume: (A) that the value of the Company is equal to the amount which would be paid in cash for the net assets of the Company, as a going concern, by an unaffiliated third party buyer, and may take into account such additional

factors as may be relevant to such valuation, including, without limitation, the absence of a trading market for the Common Stock, the minority status of the shares of Common Stock, and such other facts and circumstances as may be material, in the judgment of the Committee, and (B) that the Fair Value of one share of Common Stock is equal to: (I) the value of the Company, *divided by* (II) the number of Common Stock Equivalents. The Fair Value established by the Board of Directors shall, in the absence of manifest error, be final, binding, and conclusive upon the Company and the affected Management Shareholder(s).

(b) If the Common Stock *is* Publicly Traded, "Fair Value" means the average Daily Price (as such term is defined below) over a twenty (20) trading day period consisting of the day as of which Fair Value is being determined and the nineteen (19) consecutive trading days prior to such date. For the purposes of computing Fair Value, the "Daily Price" for each of the twenty (20) consecutive trading days shall be determined as follows:

(i) If the Common Stock is listed on a securities exchange, the "Daily Price" is the closing price of the Common Stock on the securities exchange having the greatest trading volume over the preceding thirty (30) calendar day period, *or*, if there have been no sales on a particular trading day, the average of the last reported bid and asked quotations on such exchange at the close of business for such trading day.

(ii) If the Common Stock is quoted on the NASDAQ National Market System, the "Daily Price" is the average of the representative bid and asked prices of the Common Stock quoted in the NASDAQ National Market System as of 4:00 p.m., Eastern Time.

(iii) If the Common Stock is quoted on the NASDAQ Small Cap Issues, the "Daily Price" is the average of the representative bid and asked prices of the Common Stock quoted in the NASDAQ Small Cap Issues as of 4:00 p.m., Eastern Time.

(iv) If the Common Stock is quoted on the over-the-counter market as reported by the National Quotation Bureau, the "Daily Price" is the average of the highest bid and asked prices of the Common Stock on the over-the-counter market as reported by the National Quotation Bureau.

"Permitted Disposition" means a Disposition of Purchased Securities by Purchaser:

- (a) approved by the Board of Directors of the Company; *or*
- (b) effected in a Transaction; *or*
- (c) effected pursuant to Sections 4.6 hereof.

"Registerable Securities"

means all shares of common stock held by a Purchaser excluding in each case securities which have been a) registered under the Securities Act pursuant to an effective registration statement filed there under and disposed of in accordance with the registration statement covering them, or b) publicly sold pursuant to Rule 144 under the Securities Act.

“Restrictions Termination Date”

means the date of closing of the first an underwritten public offering of the common stock by the Company pursuant to an effective registration statement under the Securities Act.

“Securities Act”

means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission there under, all as the same shall be in effect at the time.

“Selling Expenses”

has the meaning ascribed in Section **Error! Reference source not found.** hereof.

“Transaction”

means any: (a) dissolution or liquidation of the Company; (b) merger, consolidation, share exchange, combination, reorganization, or like transaction in which the Company is not the survivor or the parent of the resulting entity; (c) sale or transfer other than as security for the Company’s obligations of all or substantially all of the assets of the Company; or (d) sale or transfer of fifty percent (50%) or more of the issued and outstanding shares of Common Stock by the holders thereof in a single transaction or in a series of related transactions, *except* that a distribution of shares of Common Stock by a holder that is a corporation, limited liability company, partnership, or trust to: (x) the employees, officers, and/or directors of such holder, (y) the shareholders, partners, other equity security holders, or beneficiaries of such holder, or (z) any Parent or Subsidiary, for no consideration, shall not be deemed a “transfer” for purposes of this clause.

Section 4.2 Transfer Restricted.

No Disposition of Shares may be effected by a Shareholder except a Permitted Disposition.

Section 4.3 Right of First Refusal.

If Purchaser shall receive a bona fide written offer from a third party (the “**Proposed Transferee**”) to purchase all or part of the Purchased Securities then owned by Purchaser that Purchaser desires to accept (an “**Offer**”), Purchaser shall, as a condition precedent to accepting the Offer:

(a) Offer to the Company, in the manner set forth below, the right to purchase all of the shares of the Purchased Securities that are the subject of the Offer for the same price and the same terms as contained in the Offer.

(b) Within ten (10) Business Days after receipt of the Offer, Purchaser shall notify the Company in writing of the Offer, stating in such notice (the “**Transfer Notice**”) the details of the Offer, including (i) the name and address of the Proposed Transferee, (ii) the number of shares of Purchased Securities to which the Offer pertains (the “**Offered Shares**”), (iii) the price per share offered by the Proposed Transferee for the Offered Shares (the “**Price**”), and (iv) the terms and method of payment. A copy of the Offer shall be attached to the Transfer Notice. The Transfer Notice shall constitute an offer (the “**Right of First Refusal**”) by Purchaser to sell the Offered Shares to the Company at the Price and upon the terms and conditions set forth in the Transfer

Notice, which offer shall be irrevocable for thirty (30) Business Days (the “**Offer Period**”) from the date the Transfer Notice is delivered to the Company (the “**Commencement Date**”), subject to satisfaction of the conditions specified in Section 4.3 (g) hereof.

(c) If the Company desires to purchase all of the Offered Shares, the Company shall communicate, in writing, its election to purchase to Purchaser, which communication shall state the number of Offered Shares the Company desires to purchase and the Price and terms of payment (which shall all be identical to the terms described in the Transfer Notice), and shall be delivered to Purchaser at the address set forth in the Transfer Notice or if no address is set forth in the Transfer Notice, at the address reflected in the Company’s stock transfer records within the Offer Period. Such communication shall, when taken in conjunction with the Transfer Notice, be deemed to constitute a valid, legally binding, and enforceable agreement for the sale and purchase of all of the Offered Shares, subject to satisfaction to the conditions specified in Section 4.3(e) hereof.

(d) The closing of the purchase of any Offered Shares by the Company shall be held at the principal office of the Company. The Company shall designate a closing date and time, which date shall be later than twenty (20) Business Days after the Offer Period or such other date as may be agreed upon by the Company and Purchaser (such date is hereinafter the “**Share Transfer Date**”). At the closing, Purchaser shall deliver certificates duly endorsed or accompanied by duly executed stock powers for the Offered Shares being purchased pursuant to this Section 4.3 and shall transfer the Offered Shares being purchased pursuant to this Section 4.3 to the Purchaser thereof, free and clear of all liens, claims, charges, or encumbrances, against payment for the Offered Shares in accordance with the terms of the Transfer Notice. The Company shall have the right to set off against any payment made to Purchaser by the Company in respect of such Offered Shares the amount by which Purchaser is then indebted to the Company.

(e) Notwithstanding the foregoing, if the Right of First Refusal is not exercised with respect to all of the Offered Shares (i) on or before the expiration of the Offer Period, or (ii) if the Company does not purchase all of the Offered Shares on the Share Transfer Date, then Purchaser shall be under no obligation to sell any Offered Shares to the Company, and the Offered Shares may be sold by Purchaser to the Proposed Transferee at any time during a thirty (30) Business Day period which commences the day after (x) the expiration of the Offer Period (if the condition in clause (i) of this subparagraph (e) is not satisfied) or (y) the Share Transfer Date (if the condition in clause (i) of this subparagraph (e) is satisfied but the condition in clause (ii) of this subparagraph (e) is not satisfied (such thirty (30) Business Day Period is hereinafter referred to as the “**Free Transfer Period**”). Any such sale shall be only to the Proposed Transferee at not less than the Price and upon other terms and conditions not more favorable to the Proposed Transferee than those specified in the Transfer Notice.

(f) As a condition precedent to the sale and transfer of any Offered Shares by Purchaser, Purchaser shall obtain (i) the written agreement of the Proposed Transferee that the Proposed Transferee will be bound by, and that the Offered Shares transferred to the Proposed Transferee will be subject to, this and (ii) an opinion of counsel, satisfactory to the Company, that such transfer of interest does not require registration under the Securities Act, and any applicable state securities laws. The Company shall not give effect on its books to any transfer or purported transfer of Offered Shares held or owned by any Purchaser to the Proposed Transferee unless each and all of the conditions hereof effecting such transfer shall have been satisfied. If the transfer by Purchaser to the Proposed Transferee of that portion of the Offered Shares as to which the Right of

First Refusal has not been exercised and consummated, is not made within the Free Transfer Period, the right to transfer in accordance with this Section 4.3 shall expire. In such event, the restrictions of this Section 4.3 shall be reinstated as to all Shares which have not been so transferred, and any subsequent transfer of such Shares, whether or not to the same Proposed Transferee, must be made strictly in compliance with the provisions of this Section 4.3.

Section 4.4 Information and Observation Rights.

The Company will furnish to Purchaser, copies of the Company's annual audited and quarterly unaudited financial statements, copies of the Company's budget and annual budget business plan, and copies of such other information as such holder shall reasonably request; *provided however*, that the Company may require Purchaser requesting access to confidential information to execute a non-disclosure agreement which limits the scope of use of such information by Purchaser. The Company shall permit Purchaser to visit and inspect the Company's books, records, and facilities and to meet with its officers and executives annually, at mutually agreeable times and places.

Section 4.5 Forced Sale.

Purchaser agrees that if the Board of Directors of the Company approves a sale or merger to an unaffiliated third party in an arms length transaction, Purchaser shall, upon the written request of the Company, vote all shares of Purchased Securities, the voting of which is under their control or influence, for the transaction, support the transaction, assist the Company to consummate the transaction, and participate in the transaction on the same terms, conditions, and price under which all other holders of common stock are participating in the transaction *provided that* the purchase price of the common stock shares is not less than \$5.00 per share. In the event the transaction is a sale of less than all of the outstanding common stock, Purchaser shall only be required by this Section to sell the same percentage common stock shares as the other holders of common stock who are participating in the transaction.

Section 4.6 Company's Right to Repurchase Purchased Securities.

At all times prior to the date of a letter of intent executed by the Company and the other parties to such letter of intent to effect a Transaction or a Qualified Public Offering (the "**Announcement Date**"), the Company shall have the rights, and Purchaser shall have the obligations set forth in this Section 4.6 with respect to all Purchased Securities held by Purchaser. From and after the Announcement Date, the Company shall have no further rights to acquire the Purchased Securities of Purchaser pursuant to this Section 4.6, *provided however*, that if after the Announcement Date the Transaction or Qualified Public Offering which triggered the Announcement Date is abandoned, the Purchased Securities of Purchaser shall remain subject to this Agreement until the next time that an Announcement Date occurs.

(a) At any time, or from time to time, prior to an Announcement Date, the Company shall have the right to purchase all or part of the Purchased Securities from Purchaser by delivering a written notice of such intent (a "**Redemption Notice**") to Purchaser (or the personal representative, executor, or administrator of Purchaser, as the case may be). If the Company issues a Redemption Notice, Purchaser shall be under an absolute obligation to sell and deliver the Purchased Securities to the Company or its assignee for the Call Price determined in accordance with Section 4.6(c). The closing of any purchase of Purchased Securities pursuant to this Section 4.6 shall take place at the principal office of the Company on a date specified in the Redemption Notice which shall be not earlier than thirty (30), nor later than forty-five (45) days

Company's
right to
NOT alien
investor's
right to

after the date of the Redemption Notice. The actual date of closing of a sale pursuant to this Section 4.6 is hereinafter the “Settlement Date.”

(b) At the closing of any purchase of Purchased Securities pursuant to this Section 4.6, Purchaser (or the personal representative, executor, or administrator of Purchaser, as the case may be) shall deliver all certificates representing the Purchased Securities to be purchased, properly endorsed for transfer, and the Company shall pay Purchaser (or the personal representative, executor, or administrator of Purchaser, as the case may be) the aggregate purchase price for the Purchased Securities as determined in accordance with Section 4.6(c) hereof (the “Call Price”) by delivery of a promissory note of the Company (the “Call Note”), payable to the order of Purchaser, and bearing interest at the Prime Rate in effect on the Business Day ended immediately prior to date of the closing, with accrued and unpaid interest being due on each principal installment payment date. The principal amount of such Call Note shall be payable in: (A) twelve (12) quarterly installments, *provided, however*, the entire unpaid principal amount of such Call Note, together with all accrued but unpaid interest thereon, shall become due and payable in cash immediately upon the closing of a Transaction or a Public Offering. Payment of quarterly installments shall commence on the first three (3) month anniversary of the Settlement Date. The Call Note shall be secured by a pledge of the Purchased Securities purchased from Purchaser, and such Purchased Securities shall be released from the pledge quarterly upon the payment of each principal payment due under the Call Note, such that the number of Purchased Securities pledged shall never be more than the quotient of the then outstanding principal amount of the Call Note, *divided by* the purchase price per Share paid to Purchaser. The Call Note shall be subordinated to all other indebtedness of the Company and to the liquidation preferences of any shares of preferred stock from time to time outstanding (collectively the “Senior Debt”). Purchaser acknowledges that all Senior Debt shall be paid by the Company in full before any payment of principal or interest is made on account of the Call Note, *provided however*, that so long as no default under any Senior Debt then exists or would be caused thereby, *and* adequate liquid assets would be available to the Company, in the judgment of the Company’s Board of Directors, after any payment of principal and interest on the Call Note to satisfy the Company’s obligations for the payment of liquidation preferences of any outstanding preferred stock, The Company may make current payments of interest, at the rate specified in the Call Note, and scheduled repayments of principal on the Subordinated Debt to Holder.

buy back
w/ promissory
note from
company

(c) The Call Price per share shall be the lesser of (i) \$5.00 *or* (ii) the then Fair Value per share *plus* in either case an amount which shall yield a simple annual rate of return equal to two point five percent per annum (2.5%) from the date of issuance through and including the Settlement Date.

Section 4.7 Failure to Deliver Purchased Securities to the Company.

If Purchaser becomes obligated to sell any Purchased Securities to the Company and fails to deliver such Purchased Securities in accordance with the terms of this Agreement, the Company may, in addition to all other remedies it may have, tender to Purchaser, at the address set forth in the stock transfer records of the Company, the purchase price for such Purchased Securities as is herein specified, and cancel such shares on its books and records whereupon all of Purchaser’s right, title, and interest in and to such Purchased Securities shall terminate.

Section 4.8 Purchaser's Right to Put Purchased Securities.

At all times prior to the date of a letter of intent executed by the Company and the other parties to such letter of intent to effect a Transaction or a Qualified Public Offering (the "Announcement Date"), Purchaser shall have the right, and the Company shall have the obligations set forth in this Section 4.8 with respect to all Purchased Securities held by Purchaser. From and after the Announcement Date, Purchaser shall have no further rights to require the Company to acquire the Purchased Securities of Purchaser, *provided however*, that if after the Announcement Date the Transaction or Qualified Public Offering which triggered the Announcement Date is abandoned, the Purchased Securities of Purchaser shall remain subject to this Section 4.8 until the next time that an Announcement Date occurs. At any time, or from time to time, prior to an Announcement Date, Purchaser shall have the right to require the Company to purchase all or part of the Purchased Securities from Purchaser by delivering a written notice of such intent (a "Put Notice") to the Company at the Company's then principal place of business. If the Company receives a Put Notice, the Company shall be under an absolute obligation to purchase the Purchased Securities from Purchaser for the Call Price as determined pursuant to Section 4.6(c) of this Agreement. The closing of any purchase of Purchased Securities pursuant to this Section 4.8 shall take place at the principal office of the Company on a mutually agreeable date which shall be not earlier than thirty (30), nor later than forty-five (45) days after the date of the Put Notice. The closing of the purchase and sale of the Purchased Securities and the payment of the Call Price shall be in accordance with the procedures, terms and conditions terms described in Section 4.6(b) of this Agreement.

Section 4.9 Voting of Purchased Securities ✓

At all times prior to the Restrictions Termination Date, Purchaser agrees to vote all Purchased Securities in the best interest of the Company and in accordance with the written instructions of the President & CEO of the Company. Purchaser further agrees to execute a proxy upon the request of the President & CEO of the Company.

Section 5. General Provisions

Section 5.1 Purchaser Participation in Business

(b)(4)



Section 5.2 Legend.

Each certificate evidencing any of the Purchased Securities owned by the Purchaser shall bear legends as required under the California Corporations Law.

Purchaser agrees that the Company may also endorse any other legends required by applicable federal or state securities laws. The Company need not register a transfer of the Shares, and may also instruct its transfer agent, if any, not to register the transfer of the Shares unless the conditions specified in the foregoing legends are satisfied. The foregoing notwithstanding, Purchaser shall be entitled without compliance with the requirements of such legend, and the Company shall, at the request of a Purchaser, transfer the Shares registered in the name of such Purchaser to: (a) any shareholder, officer, or director of Purchaser, (b) any corporation, partnership, or limited liability company of which Purchaser or an officer,

director, or shareholder of Purchaser is a equity security holder, (c) any member of the immediate family of a shareholder of such Purchaser or a trust established for the benefit of such family member, or (d) an organization organized for charitable purposes.

Section 5.3 Removal of Legend and Transfer Restrictions.

(a) Any legend endorsed on a certificate pursuant to Section 5.1 hereof and the stop transfer instructions with respect to the Purchased Securities shall be removed and the Company shall issue a certificate without such legend to the holder thereof if such Purchased Securities are registered under the Securities Act and a prospectus meeting the requirements of Section 10 of the Securities Act is available, or if the Purchased Securities are sold pursuant to Rule 144 promulgated under the Securities Act.

(b) The restrictions described in the second sentence of the legend set forth in Section 5.1 hereof may be removed at such time as permitted by Rule 144(k) promulgated under the Securities Act.

Section 5.4 Governing Laws.

This Agreement shall be construed, administered and enforced according to the laws of the State of California. The parties hereto agree that any appropriate state court located in San Mateo County, California, or any Federal Court sitting in the Northern District of California Division, shall have exclusive jurisdiction of any case or controversy arising under or in connection with this Agreement and shall be a proper forum in which to adjudicate such case or controversy. The parties hereto consent to the jurisdiction of such courts.

Section 5.5 Successors.

This Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and permitted assigns of the parties.

Section 5.6 Severability.

In the event that any one or more of the provisions or portion thereof contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

Section 5.7 Entire Agreement.

This Agreement expresses the entire understanding and agreement of the parties with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Section 5.2 Amendment.

This Agreement may be amended by a written instrument executed by the Company and the holders of a majority of the Purchased Securities, and such amendment shall be binding upon all holders of Purchased Securities.

Section 5.3 Headings.

Paragraph headings used herein are for convenience of reference only and shall not be considered in construing this Agreement.

Remainder of this page intentionally left blank

**SIGNATURE PAGE
TO
SECURITIES PURCHASE AGREEMENT**

IN WITNESS WHEREOF, Purchaser and the Company have caused this Securities Purchase Agreement to be duly executed as of the date first written above.

California Wineries & Vineyards LLC

By: _____
_____ President and CEO

@@PurchaserFullName@@

**DISCLOSURE SCHEDULE
TO
SECURITIES PURCHASE AGREEMENT**

Section 3.4 Capitalization.

Common Stock:

Shareholder	Number of Shares	Per Cent
		%
		%

Options, Warrants, and Convertible Securities:

Holder	Security Description	Shares of Common Stock
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(b)(4)

(b)(4)

**EXHIBIT B
TO
COMMON STOCK PURCHASE AGREEMENT**

Purchaser Questionnaire

ALL INFORMATION FURNISHED IS FOR THE SOLE USE OF TELCHEMY, INCORPORATED (THE “COMPANY”) AND ITS COUNSEL AND WILL BE HELD IN CONFIDENCE BY THE COMPANY AND ITS COUNSEL, EXCEPT THAT THIS QUESTIONNAIRE MAY BE FURNISHED TO SUCH PARTIES AS THE COMPANY AND COUNSEL DEEM NECESSARY TO ESTABLISH COMPLIANCE WITH FEDERAL OR STATE SECURITIES LAWS OR TO THE EXTENT REQUIRED BY LAW. CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANINGS ASCRIBED IN THE SECURITIES PURCHASE AGREEMENT TO WHICH THIS PURCHASER QUESTIONNAIRE WAS ATTACHED.

The shares of common stock (the “Securities”) being offered by the Company pursuant to the Agreement are not registered under the Securities Act of 1933, as amended (the “Act”), in reliance upon certain exemptions from registration provided by the Act. One of the exemptions being relied upon is provided by Regulation D of the Securities and Exchange Commission. (“Regulation D”). Regulation D permits the sale of securities to accredited investor and a limited number of unaccredited investors.

In order to obtain the facts needed to determine whether a Purchaser is an accredited investor, it is necessary for each prospective purchaser (the “Purchaser”) to complete this Investor Questionnaire. The form should be signed, dated, and forwarded to the Company along with the executed signature Purchaser Signature Page to the Agreement.

Answer all questions. Write "N/A" if not applicable.

A. PLEASE PROVIDE THE FOLLOWING INFORMATION.

1. (a) Name of Purchaser:

(b) If Purchaser is a corporation, partnership, trust or other entity, state the name of the individual(s) making the investment decision on behalf of the entity:

2. Purchaser's Address:

3. Telephone Number: (____) _____

4. Taxpayer Identification Number of Purchaser: _____

5. Date of organization or incorporation: _____

B. THE FOLLOWING INFORMATION IS TO BE PROVIDED SO THAT THE COMPANY CAN DETERMINE IF THE PURCHASER IS AN ACCREDITED INVESTOR.

Please indicate, by initialing, one or more of the following categories that are applicable to you. If no category is applicable, please initial Item 18.

Under Regulation D, an "accredited investor" is defined as any person who comes within any of the following categories, or who the Company reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

1. _____ A bank as defined in Section 3(a)(2) of the Act whether acting in its individual or fiduciary capacity.
2. _____ A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity.
3. _____ A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.
4. _____ An insurance company as defined in Section 2(13) of the Act.
5. _____ An investment company registered under the Investment Company Act of 1940.
6. _____ A business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940 [a closed-end company, operated for the purpose of investing in securities described in Section 55(a)(1)-(3) of such Act, that makes available "significant managerial assistance" with respect to the issuers of such securities and has elected to be regulated pursuant to Sections 55-65 of such Act as a business development company].
7. _____ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
8. _____ A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000.
9. _____ An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), (a) if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or (b) if the employee benefit plan has total assets in excess of \$5,000,000, or (c) if it is a self-directed plan, with investment decisions made solely by persons that are accredited investors.
10. _____ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 [a company which is a business development company but which need not be closed-end and need not elect to be subject to regulation under Sections 55-65 of the Investment Company Act of 1940].

11. _____ An organization described in Section 501(c)(3) of the Internal Revenue Code, with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered.
12. _____ A corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.
13. _____ A director or executive officer of the Company. (An "executive officer" means the president, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions for the Company.)
14. _____ A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000.
- [For purposes of calculating net worth, any assets may be considered including the fair market value of one's principal residence and automobiles. The principal residence owned by an individual should be valued either at (A) cost, including the cost of improvements, net of current encumbrances upon the property, or (B) the appraised value of the property as determined upon a recent written appraisal used by an institutional lender making a loan secured by the property, including the cost of subsequent improvements, net of current encumbrances upon the property.]
15. _____ A natural person who had an individual income (not including income of spouse) in excess of \$200,000 in each of the two most recent years (2002 and 2003) or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects to reach the same income level in the current year (2004).
- [“Income” may include amounts normally excluded from “adjusted gross income” such as any amounts attributable to tax exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income. However, “income” is not necessarily synonymous with “revenue”; for example, a self-employed person should deduct operating expenses to give an accurate indication of income.]
16. _____ A trust, with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Act.
17. _____ An entity in which all of the equity owners meet the requirements of any one of Items C1-C16 immediately above. (If this item is initialed, complete the “Accredited Investor Certificate” below.)
18. _____ Initial here if none of the above are applicable.

C. THE FOLLOWING INFORMATION IS TO BE PROVIDED BY PURCHASER WHO ARE INDIVIDUALS, OR BY THE PERSON MAKING THE INVESTMENT DECISION ON BEHALF OF CORPORATIONS, PARTNERSHIPS, TRUSTS, OR OTHER ENTITIES.

1. Are you aware of the fact that you have the opportunity to question a representative of the Company about this investment, the Company, the Company's properties, the Company's operations and the Company's methods of doing business?
- | | |
|-------|-------|
| _____ | _____ |
| Yes | No |
2. (a) Do you understand the merits and risks associated with investments in closely-held companies?
- | | |
|-------|-------|
| _____ | _____ |
| Yes | No |
- (b) Do you understand the merits and risks associated with an investment in the Company?
- | | |
|-------|-------|
| _____ | _____ |
| Yes | No |
3. Do you understand that there is no guarantee of any financial return on this investment and that you run the risk of losing your entire investment?
- | | |
|-------|-------|
| _____ | _____ |
| Yes | No |
4. Do you understand that this investment is illiquid?
- | | |
|-------|-------|
| _____ | _____ |
| Yes | No |
5. Do you understand that you may purchase an interest in the Company for investment only, and not with a view to the sale or other distribution thereof?
- | | |
|-------|-------|
| _____ | _____ |
| Yes | No |

SIGNATURE (INDIVIDUAL)

The undersigned hereby represents to the Company that (a) the information contained herein is complete and accurate and may be relied upon by the Company, (b) the undersigned will notify the Company of any material adverse change in any of the information contained herein occurring prior to the purchase of the Shares, (c) the undersigned has received or had access to all material information enabling the undersigned to make an informed investment decision and that all information requested has been furnished to the undersigned.

Name of Purchaser (please print)

Signed: _____

Executed at _____,
ON THIS _____ DAY OF _____, 200__.

SIGNATURE (ENTITY)

The undersigned hereby represents to the Company that (a) the information contained herein is complete and accurate and may be relied upon by the Company, (b) the undersigned will notify the Company of any material adverse change in any of the information contained herein occurring prior to the purchase of the Shares, (c) the undersigned has received or had access to all material information enabling the undersigned to make an informed investment decision and that all information requested has been furnished to the undersigned.

Name of Purchaser (please print)

By: _____

Signed: _____

Title: _____

Executed at _____, _____

on this _____ day of _____, 200____.

(b)(4)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), is made and entered into as of _____, _____, by and among California Wineries & Vineyards LLC, a California corporation (the “Company”), _____, a national of _____, (“Purchaser”), and _____ as Escrow Agent hereunder (“Escrow Agent”).

Background

The Company and Purchaser have agreed to enter into a Securities Purchase Agreement sheet (the “Purchase Agreement”) for the purchase of [REDACTED] of the Common Stock, par value \$.001 of the Company (the “Securities”). Pursuant to the Purchase Agreement, Purchaser is required to deliver [REDACTED] to Escrow Agent at the time Purchaser executes the Purchase Agreement. In addition, the Purchaser will deliver an extra fee of [REDACTED] (“Extra Fee”) into the escrow account to cover all expenses related to the escrow account, legal and immigration fees and filing fees. The Company and Purchaser believe the transactions contemplated by the Securities Purchase Agreement will qualify Purchaser to file an Immigration Petition by an Alien Entrepreneur on Form I-526 pursuant to 8 CFR 204.6 (the “Petition”). The Purchase Agreement will be executed when the Petition has been prepared but prior to its filing with the U.S. Citizenship and Immigration Service (“USCIS”). The Escrow Agent shall accept, hold, and disburse the Escrow Funds deposited with Escrow Agent in accordance with the terms of this Escrow Agreement.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Definitions.

The following terms shall have the following meanings when used herein:

“Cash Investment” means [REDACTED]

“Cash Investment Instrument” means a wire transfer originated by Purchaser and credited to the “California Wineries & Vineyards – [name of investor] Escrow Account” in full payment of the purchase price of the Securities to be purchased by Purchaser.

“Escrow Funds” means the Cash Investments deposited with the Escrow Agent pursuant to this Escrow Agreement.

“Extra Fee” means [REDACTED] to cover all escrow account expenses, legal fees, immigration fees and filing fees.

Section 2. Appointment of and Acceptance by Escrow Agent.

The Company and Purchaser hereby appoint Escrow Agent to serve as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment in accordance with the terms of this Escrow Agreement. The Company agrees that prior to commencement of the offering to Purchaser, the Company

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shall request in writing that Escrow Agent shall establish the "California Wineries & Vineyards – [name of investor] Escrow Account," as more particularly described in Section 3(a) hereto (the "Escrow Account") into which the Cash Investment Instruments from Purchaser shall be deposited. Escrow Agent agrees to establish the Escrow Account promptly after such request and after the Escrow Agent shall have received all information reasonably requested from the Company and Purchaser.

Section 3. Deposits into Escrow.

(a) All Cash Investment Instruments from Purchaser shall be deposited into the Escrow Account described below:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – [name of investor] Escrow Account

ALL ESCROW FUNDS DEPOSITED IN THE ESCROW ACCOUNT SHALL REMAIN THE PROPERTY OF THE PURCHASER AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR OTHER CREDITORS' CLAIMS AGAINST THE COMPANY UNTIL RELEASED TO THE COMPANY IN ACCORDANCE WITH SECTION 5 HEREOF.

(b) Purchaser will deliver Cash Investment Instruments to the Escrow Agent as follows:

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(i) [redacted] promptly after execution and delivery of this Agreement by the Escrow Agent, the Company, and Purchaser; and *Fee*

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(ii) [redacted] promptly after the Petition is completed but before filing with the US Citizenship & Immigration Service and the Securities Purchase Agreement has been executed and delivered by Purchaser and the Company. *capital*

(c) The Company and Purchaser acknowledge and agree that all Cash Investment Instruments are subject to collection requirements of presentment and final payment. Escrow Funds in the Escrow Account cannot be drawn upon or disbursed until such time as final payment has been made, Escrow Agent is in possession of collected funds, and all of the Cash Investment Instruments are no longer subject to dishonor. Upon receipt, Escrow Agent shall process each Cash Investment Instrument for collection, and the proceeds thereof shall be held as part of the Escrow Funds until disbursed in accordance with Section 5 hereof. If, upon presentment for payment, any Cash Investment Instrument is dishonored, Escrow Agent's sole obligation shall be to notify the Company of such dishonor and to return such Cash Investment Instrument to Purchaser. Notwithstanding the foregoing, if for any reason any Cash Investment Instrument is uncollectible after payment of the Escrow Funds represented thereby has been made by Escrow Agent in accordance with this Escrow Agreement, the Company shall immediately reimburse Escrow Agent upon receipt from Escrow Agent of written notice thereof.

Section 4. Other Information to be furnished to Escrow Agent.

The Company shall, on the date hereof, provide to Escrow Agent the name, taxpayer identification number, address, and such other information as may be required for withholding and reporting purposes such as either U.S. Treasury Department Form W-9 or another applicable form, e.g., W-8 for the Purchaser. The Escrow Agent shall have no duty to prepare or file any federal, state, or other tax returns or reports with respect to the Escrow Funds.

Section 5. Disbursements of Escrow Funds.

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(a) **Before Petition.** Subject to the provision of Section 13 hereof, Escrow Agent shall disburse [redacted] of the Escrow funds to the Company promptly after Escrow Agent has receive a release notice in the form of *Exhibit A* (the “**Preliminary Release Notice for Fees**”), jointly signed by the Company and the Purchaser. The Preliminary Release Notice for Fees shall not be delivered to Escrow Agent until the I-526 Petition has been prepared and reviewed by the Purchaser. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the Company in the Preliminary Release Notice for Fees. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete

(b)(4)

(b) **Approval of Petition.** Subject to the provisions of Section 13 hereof, Escrow Agent shall disburse [redacted] of the Escrow Funds to the Company promptly after Escrow Agent has received a release notice in the form of *Exhibit B* (the “**Initial Release Notice**”), jointly signed by the Company and the Purchaser. The Initial Release Notice shall not be delivered to Escrow Agent until the Petition has been approved by the USCIS. The disbursement of the Escrow Funds shall be made by wire transfer to the account designated by the Company in the Initial Release Notice. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete.

(c) **Consulate/Embassy Approval.** Subject to the provisions of Section 13 hereof, Escrow Agent shall promptly disburse the amount of the Escrow Funds as specified and directed in a Release Notice in the form of *Exhibit C* (the “**Second Release Notice**”). The Second Release Notice shall not be delivered until Purchaser receives confirmation of a determination by a U.S. Embassy or Consulate office on Purchaser’s approval of immigrant visa application on the conditional resident status. Notwithstanding the foregoing Escrow Agent shall not be obligated to disburse the Escrow Funds if Escrow Agent has grounds to believe that (i) Cash Investment Instruments have not been received, deposited with, and collected by the Escrow Agent in an amount at least equal to the amount specified in the Release Notice or (ii) the Release Notice is incorrect or incomplete.

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(b) **Termination by the Company.** No later than ten (10) business days after receipt by Escrow Agent of written notice from the Company stating that the Company has terminated the Purchase Agreement, Escrow Agent shall deliver the Escrow Funds then held by Escrow Agent to Purchaser, by wire transfer or bank check sent by express delivery service.

(c) **Failure to receive any Release Notice.** Notwithstanding anything to the contrary contained herein, if Escrow Agent shall not have received the Initial Release Notice within 45 days from the USCIS approval on the I-526 petition, Escrow Agent shall, within ten (10) business days after such date and without any further instruction or direction from the Company, return to (b)(4) Purchaser all but [redacted] of the Escrow Funds then held by Escrow Agent and deliver [redacted] to the Company, both disbursements by wire transfer or bank check sent by express delivery service.
(b)(4)

Section 6. Provisions for Benefit of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; **provided however**, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall not be required to take notice of or be bound in any way by any agreement or contract between the Company and Purchaser, including but not limited to the Securities Purchase Agreement, whether or not Escrow Agent has knowledge of any such agreement or contract.

(b) The Company and Purchaser each warrant to and agree with Escrow Agent that there is no security interest in the Escrow Funds or any part of the Escrow Account; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Escrow Funds or any part of the Escrow Funds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Funds or any part of the Escrow Funds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Escrow Funds or any part thereof.

Section 7. Suspension of Performance or Disbursement Into Court.

(a) As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other person(s) resulting in adverse claims or demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Escrow Funds or any part of such Escrow Funds. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties. Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Escrow Funds or any part thereof or to otherwise act hereunder, as stated above, unless and until: (i) the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having

jurisdiction over the parties and the Escrow Funds, and Escrow Agent shall have received written notice thereof *or* (ii) the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent pursuant to Section 12 hereof against any liability, claims, or damages resulting from compliance by Escrow Agent with such agreement.

(b) In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Escrow Account and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its counsel. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Escrow Agreement; *provided however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties hereunder.

(c) Escrow Agent shall have no liability to the Company, Purchaser, or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of Escrow Funds held in the Escrow Account or any delay in or with respect to any other action required or requested of Escrow Agent.

(d) The parties hereto agree that, in the event any controversy arises under or in connection with this Escrow Agreement or the Escrow Funds, or Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Escrow Funds, they will pay to Escrow Agent reasonable compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation.

(e) Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or its enforcement, or to appear in, prosecute, or defend any action or legal proceeding which would or might involve it in any cost, expense, loss, or liability unless security and indemnity, as provided in Section 12 hereof shall be furnished.

Section 8. Investment of Escrow Funds.

Escrow Agent shall not invest or reinvest the Escrow Funds. The parties to this Escrow Agreement acknowledge that no interest shall accrue or be paid with respect to the Escrow Funds.

Section 9. Removal of Escrow Agent.

Escrow Agent may be removed, with or without cause, by the Company and Purchaser, acting jointly, in writing, at any time by the giving of thirty (30) days prior written notice to Escrow Agent. Such removal shall take effect upon the appointment of a successor escrow agent as provided herein below. Upon any such notice of removal, the Company shall appoint a successor escrow agent hereunder, which shall be a commercial bank, trust company, or other financial institution with a combined capital and surplus in excess of [REDACTED]. Upon the acceptance in writing of any appointment as Escrow Agent hereunder by a successor escrow agent, such successor escrow agent shall thereupon succeed to, and become vested with, all the rights, powers, privileges, and duties of the removed Escrow Agent, and the removed Escrow Agent shall be discharged from its duties and obligations under this Escrow Agreement.

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After any removal of Escrow Agent, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

Section 10. Resignation of Escrow Agent.

Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 20 days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all Escrow Funds then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder. After Escrow Agent's resignation the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was escrow agent under this Escrow Agreement.

Section 11. Liability of Escrow Agent.

(a) Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall have no implied duties or obligations and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(b) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct.

(c) In no event shall Escrow Agent be liable for incidental, indirect, special, consequential, or punitive damages. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds or the Escrow Account in which Escrow Funds are deposited or this Escrow Agreement, or to appear in, prosecute, or defend any such legal action or proceeding. Without limiting the generality of the foregoing, Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the Securities Purchase Agreement with any other agreement between the Company and Purchaser. Escrow Agent shall not be responsible or liable in any manner for the performance by the Company or Purchaser of their respective obligations under the Securities Purchase Agreement nor shall Escrow Agent be responsible or liable in any manner for the failure of the Company or Purchaser to honor any of the provisions of this Escrow Agreement. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, and shall incur no liability and shall be fully indemnified pursuant to Section 12 hereof from any liability whatsoever in acting in accordance with the advice of such counsel. The Company shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.

(d) Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished, or levied upon under any court order, or in case the payment, assignment, transfer,

conveyance, or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment, or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment, or decree may be subsequently reversed, modified, annulled, set aside, or vacated.

Section 12. Indemnification of Escrow Agent.

The Company and Purchaser jointly and severally agree to indemnify Escrow Agent and each of its officers, directors, employees, and agents and save Escrow Agent and its officers, directors, employees, and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees, or agents, directly or indirectly, as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees, or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof the term "**Claims**" shall mean all claims, lawsuits, causes of action, or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action, or impleader) Escrow Agent or any such officer, director, employee, or agent, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action, or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to, or be based upon, in whole or in part: (a) the acts or omissions of the Company or Purchaser, (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term "**Losses**" shall mean losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorneys', accountants', and other professionals' fees, litigation, and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of, or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee, or agent (each referred to hereinafter as an "**Indemnified Party**"), the Company and Purchaser jointly and severally agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the Company and Purchaser jointly and severally agree to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to either the Company or Purchaser. The Company and Purchaser hereby agree that the indemnifications and protections afforded Escrow Agent in this section shall survive the termination of the Escrow Agreement or the resignation, removal, or effective resignation of Escrow Agent pursuant to Section 7(b) hereof.

Section 13. Compensation to Escrow Agent.

The Company agrees to pay Escrow Agent for its ordinary services hereunder, the fees determined in accordance with and payable as specified in the Schedule of Fees set forth in *Exhibit D* attached hereto and made a part hereof. In addition, the Company agrees to pay to Escrow Agent its expenses incurred in connection with this Escrow Agreement including, but not limited to, the reasonable cost of legal services in the event Escrow Agent reasonably deems it necessary to retain counsel. Such expenses shall be paid to

Escrow Agent within 10 days following receipt by the parties hereto of a written statement setting forth such expenses. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities, and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement and to secure the obligation of the parties hereto to indemnify Escrow Agent as set forth in Section 12 hereof, Escrow Agent is hereby granted a security interest in and a lien upon the Escrow Funds, which security interest and lien shall be prior to all other security interests, liens, or claims against the Escrow Funds or any part thereof.

Section 14. Representations and Warranties.

(a) The Company makes the following representations and warranties to Escrow Agent:

(i) The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) This Escrow Agreement has been duly approved by all necessary corporate action of the Company, including any necessary shareholder approval, has been executed by duly authorized officers of the Company, and constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms; *provided however*, that enforceability is subject to: (a) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, and similar federal and state laws affecting the rights and remedies of creditors generally, and (b) general principles of equity limiting the availability of equitable remedies (including but not limited to the remedy of specific performance), whether considered in a proceeding at law or in equity.

(iii) The execution, delivery, and performance by the Company of this Escrow Agreement will not violate, conflict with, or cause a default under, the certificate of incorporation or bylaws of the Company, any applicable law or regulation, any court order or administrative ruling or decree to which the Company is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement to which the Company is a party or any of its property is subject.

(iv) No party other than the parties hereto and the Purchaser have, or shall have, any lien or claim against, or security interest in, the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

(v) The Company hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Securities or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer or sale of the Securities other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(vi) All of the representations and warranties of the Company contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

(c) Purchaser makes the following representations and warranties to Escrow Agent:

(i) Purchaser has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by Purchaser of this Escrow Agreement will not violate, conflict with, or cause a default under any other agreement to which it is a party.

(iii) Purchaser hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representation or implication shall be made that the Escrow Agent has investigated the desirability or advisability of investment in the Securities or has approved, endorsed, or passed upon the merits of the investment therein and that the name of the Escrow Agent has not and shall not be used in any manner in connection with the offer or sale of the Securities other than to state that the Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth herein.

(iv) All of the representations and warranties of Purchaser contained herein are true and complete as of the date hereof and will be true and complete at the time of any deposit to or disbursement from the Escrow Account.

Section 15. Consent to Jurisdiction and Venue.

In the event that the Company, Purchaser, or Escrow Agent hereto commence a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree that the United States District Court for the Northern District of Georgia shall have the sole and exclusive jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties agree that the Superior Court of Fulton County, Georgia shall have sole and exclusive jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts. It is the intention of the parties to this Escrow Agreement that the *situs* of the Escrow Account created by this Escrow Agreement be, and that it be administered in the state in which the principal office of the Escrow Agent is located from time to time acting hereunder.

Section 16. Notice.

All notices and other communications hereunder shall be in writing and shall be deemed to have been validly served, given, or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities (with machine generated receipt confirmation), and addressed to the party to be notified as follows:

If to the Company at:

California Wineries & Vineyards LLC
c/o Natural Econometric Incorporated
177 Bovet Road, Suite 600
San Mateo, CA 94402
Attn: Christina C. Lau
Telephone: (650) 364-3108
Facsimile: (650) 369-8522
Tax ID # _____

If to the Escrow Agent at:

Name of Bank
Address
Attn:
Telephone:
Facsimile:

If to Purchaser at:

The address set forth on the Purchaser signature page hereto or to such other address as each party may designate for itself by written notice.

Section 17. Amendment Waiver, etc.

This Escrow Agreement may be changed, waived, discharged, or terminated only by a writing signed by the Company, Purchaser, and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. No waiver, modification, amendment, termination, or rescission of this Escrow Agreement shall be effective or binding upon Escrow Agent unless Escrow Agent shall have specifically consented thereto in writing.

Section 18. Severability.

To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

Section 19. Governing Law.

This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of California without giving effect to the principles or rules governing conflict of laws.

Section 20. Entire Agreement.

This Escrow Agreement constitutes the entire agreement among the parties relating to the acceptance, collection, holding, and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of the Escrow Agent with respect to the Escrow Funds.

Address

Section 21. Binding Effect.

All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the Company, Purchaser, and Escrow Agent. Neither this Escrow Agreement nor any interest herein may be assigned without the written consent of each of the parties hereto.

Section 22. Execution in Counterparts.

This Escrow Agreement may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement.

Section 23. Termination.

Upon the first to occur of the disbursement of all amounts in the Escrow Account or deposit of all amounts in the Escrow Account into court pursuant to Section 7 hereof, this Escrow Agreement shall terminate and Escrow Agent shall have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

[Remainder of page intentionally left blank; signatures on following pages]

**COMPANY SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Company hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

THE COMPANY:

California Wineries & Vinyards LLC

By: _____
_____, Chief Executive Officer

**ESCROW AGENT SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Escrow Agent hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

ESCROW AGENT:

Name,
as Escrow Agent

By: _____
Name, Position

[Purchaser Signature Pages Attached]

**PURCHASER SIGNATURE PAGE
TO
ESCROW AGREEMENT**

IN WITNESS WHEREOF, the Purchaser hereto has caused this Escrow Agreement to be executed under seal as of the date first above written.

PURCHASER

Name

Purchaser Name ("Purchaser") Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/> <hr/>
Purchaser's Legal Counsel Address and Facsimile Number	<hr/> <hr/> <hr/> <hr/>

**EXHIBIT A
TO
ESCROW AGREEMENT**

From of Preliminary Release Notice for Fees

Attached

PRELIMINARY RELEASE NOTICE FOR FEES

This Preliminary Release Notice for Fees is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated _____, 200__, by and among California Wineries & Vineyards LLC, a California corporation (the "Company"), Name of Investor/Purchaser, a resident of _____, national of _____ ("Purchaser"), and _____ as Escrow Agent hereunder ("Escrow Agent").

(b)(4)

1. Escrow Agent is hereby irrevocably directed to disburse [redacted] of the Escrow Fund to California Wineries & Vineyards LLC as directed below.

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – [Investor]

Escrow Account

(b)(4)

3. All conditions precedent to disbursement of [redacted] of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized and directed to release and disburse the Escrow Funds as described in this Preliminary Release Notice for Fees.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Initial Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
_____, Chief Executive Officer

Name, Purchaser

**EXHIBIT B
TO
ESCROW AGREEMENT**

From of Initial Release Notice

Attached

INITIAL RELEASE NOTICE

This Initial Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated _____, 200__, by and among California Wineries & Vineyards LLC, a California corporation (the "Company"), _____, a resident of _____, national of _____ ("Purchaser"), and _____ as Escrow Agent hereunder ("Escrow Agent").

(b)(4)

1. Escrow Agent is hereby irrevocably directed to disburse [redacted] of the Escrow Fund to California Wineries & Vineyards LLC as directed below.

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – [Investor]

Escrow Account (b)(4)

3. All conditions precedent to disbursement of [redacted] of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized and directed to release and disburse the Escrow Funds as described in this Initial Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Initial Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____,
_____, Chief Executive Officer

_____, Purchaser

**EXHIBIT C
TO
ESCROW AGREEMENT**

From of Second Release Notice

Attached.

SECOND RELEASE NOTICE

This Second Release Notice is dated _____, 200__ and is delivered pursuant to the terms of that certain Escrow Agreement dated September __, 200__, by and among California Wineries & Vineyards LLC, a California corporation (the "Company"), _____, a resident of _____, national of _____ ("Purchaser"), and SUNTRUST BANK as Escrow Agent hereunder ("Escrow Agent").

1. Escrow Agent is hereby irrevocably authorized and directed to:

Choose 1 of the options below:

<input type="checkbox"/>	Disburse the balance of the Escrow Fund to California Wineries & Vineyards LLC as directed below. <i>This option is chosen if _____ immigrant visa application has been approved as a conditional resident by a U. S. Embassy or Consulate office</i>
<input type="checkbox"/>	Pursuant to the wire transfer instructions in the Initial Release Notice. Disburse the balance of the Escrow Fund to _____ as directed below. <i>This option is chosen if _____ has not been approved EB-5 petition by the USCIS or as immigrant visa application by a U. S. Embassy or Consulate office</i>

2. Escrow Agent shall wire transfer the balance to the Escrow Fund to:

Bank:

ABA Routing No.:

Center:

Account No.:

Attn:

Re: California Wineries & Vineyards – [Investor]
Escrow Account

3. All conditions precedent to disbursement of the Escrow Funds have been satisfied and the Escrow Agent is hereby authorized to release and disburse the Escrow Funds as described in this Second Release Notice.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Second Release Notice as of the date first above written.

California Wineries & Vineyards LLC

By: _____
_____, Chief Executive Officer

Name, Purchaser

**EXHIBIT D
TO
ESCROW AGREEMENT**

Schedule of Fees of Escrow Agent

Escrow Fee: [\$_____]

Wire Transfer Fee: [\$_____] per wire



State of California
SECRETARY OF STATE
BUSINESS PROGRAMS DIVISION

NAME RESERVATION CERTIFICATE

CHRISTINA C LAU
C/O: NATURAL ECONOMETRIC INC
177 BOVET RD STE 600
SAN MATEO, CA 94402

RESERVATION # 200812990043

ISSUE DATE 05/08/08

EXPIRES 07/07/08

RE: CALIFORNIA WINERIES & VINEYARDS LLC

The above-referenced name is reserved for a period of sixty (60) days, commencing on the above issue date, for use by the addressee as specified by California Corporations Code section 201(c), 5122(c), 7122(d), 9122(c), 12302(d), 15901.09 or 17053.

NOTE: This reservation does not guarantee that the reserved name complies with all federal and state laws. At the time of filing the document containing the reserved name, it is your responsibility to ensure that you have complied with all federal and state laws, including specific name requirements. In some circumstances, the reserved name may require additional approval/consent pursuant to applicable law at the time of filing. Name styles for particular types of business entities and the need for consent/approval required by law are not considered at the time of the name reservation.

Therefore, no financial commitment relating to the proposed name should be made based on the reservation, as the business entity is not created or qualified until the appropriate documents have been submitted to, and filed by, the Secretary of State.

For limited partnership (LP) name reservations: An LP name is reserved pursuant to the Uniform Limited Partnership Act of 2008. A name reserved on behalf of an LP that remains subject to the prior law will be reviewed for compliance with that prior law at the time of filing the document.

FedEx US Airbill
Express

8683 9997 2624

0200

Form ID No.

FedEx Retrieval Copy

1 From Date: 2/17/09
 Sender's FedEx Account Number: 452 401 860
 Sender's Name: J. Whalen
 Phone: 202 272 8353
 Company: USCIS
 Address: 20 Mass Ave NW MS 2060
 City: Washington State DC ZIP: 20529 2060

4a Express Package Service
 FedEx Priority Overnight
 FedEx Standard Overnight
 FedEx 2Day
 FedEx Express Saver
 FedEx First Overnight

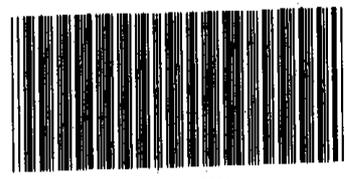
4b Express Freight Service
 FedEx 1Day Freight
 FedEx 2Day Freight
 FedEx 3Day Freight
 FedEx Pak
 FedEx Envelope
 FedEx Tube
 Other

2 Your Internal Billing Reference
 3 To Recipient's Name: Blake Goto
 Company: USCIS/CSC
 Recipient's Address: 24000 Avila Rd 2nd FL WS 2905H
 Address: Laguna Niguel
 City: Laguna Niguel State: CA ZIP: 92677

6 Special Handling
 SATURDAY Delivery
 HOLD Weekday at FedEx Location
 HOLD Saturday at FedEx Location
 Does this shipment contain dangerous goods?
 No Yes
 Payment Bill to:
 Sender Recipient Third Party Credit Card Cash/Check
 Total Packages: 10
 Total Weight: 10

fedex.com 1.800.GoFedEx 1.800.463.3339

fedex.com 1.800.GoFedEx 1.800.463.3339



8683 9997 2624

8 Residential Delivery Signature Options
 No Signature Required
 Direct Signature
 Indirect Signature
 520
 Rev. Date 10/09 Part #15021-1 ©1994-2006 FedEx PRINTED IN U.S.A. SRY