



LGE

LAKE GEORGE

ESTATE

THE PROPOSAL DOCUMENT

etch
REALESTATE



LAKE GEORGE ESTATE

Retreat to your country estate conveniently located between the nation's capital, Canberra, and the Asia Pacific's financial hub, Sydney.

And at the same time, seize the opportunity to continue the legacy of one of the Canberra District Wine Region's earliest vineyards and further the momentum of this award-winning and profitable boutique winery, restaurant and cellar door function venue.

All enquiries should be directed to the following exclusive marketing agents:

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INTRODUCTION

ETCH Real Estate is pleased to present on behalf of the vendors, the Lake George Estate, incorporating the Lake George Winery at 173 The Vineyards Road, Lake George NSW 2581.

LAKE GEORGE ESTATE

The Lake George Estate is a 112.79 hectare* property overlooking the spectacular Lake George.

Surrounded by the magnificent rolling hills of the Cullarin Escarpment, the property benefits from a topography which delivers plentiful rainfall.

Located on the eastern side of The Vineyards Road, and running parallel with the Federal Highway, the property is a 40-minute drive from the Canberra CBD and a 2.5-hour drive from the Sydney CBD.

The Estate incorporates the Lake George Winery. Established in 1973, Lake George Winery is one of the earliest vineyards of the Canberra District Wine Region, a region of 140 vineyards and 30 cellar doors. It is a prized wedding venue and popular Canberra Wine Trail stop.

The property comprises three separate land titles totaling 112.79 hectares. It is apportioned as follows:

- A main four-bedroom, two-bathroom residence enjoying an attractive easterly aspect overlooking Lake George, the vineyard and established gardens.
- An architect-designed cellar door function venue and restaurant, and winery shed
- Vineyard plantings of 7.09 hectares*
- Vacant land of 80.93 hectares*.

Ownership of the Lake George Estate brings the opportunity to retreat to the country and continue the legacy of an established, high quality wine business and successful restaurant and function venue.

This information memorandum outlines key information in relation to the property. Full business disclosure is available to interested parties.

All information being provided to interested parties is to assist them in preparing their independent due diligence.

**Approximate*



ESTABLISHED 1971

EXECUTIVE SUMMARY – THE LAKE GEORGE ESTATE

ADDRESS:	173 The Vineyards Road, Lake George NSW 2581
TITLE DETAILS	Lot 38 DP 754883 – 80.93 hectares Lot 2 DP 126040 – 20.02 hectares Lot 92 DP 754883 – 11.84 hectares
LOCAL GOVERNMENT AUTHORITY	Yass Valley Council
RELEVANT LEGISLATION	Yass Valley Local Environmental Plan 2013
ZONE	RU1 Primary Production
LAND AREA	112.79 hectares
LAND USE	Vineyard 7.09 hectares – 6% of land area Buildings 24.77 hectares – 22% of land area Natural vegetation 80.93 hectares – 72% of land area
ASPECT	Undulating land with expansive views to the east over Lake George and surrounded by the Cullarin Escarpment.
IMPROVEMENTS	Easterly facing four-bedroom, two-bathroom residence of 293 square metres with a veranda overlooking Lake George, the vineyard and established gardens. Architect designed two-level function venue comprising a ground floor Cellar Door and upper level restaurant of 340 square metres including an outdoor balcony area, commercial kitchen, office, and wine cave. Winery and machinery shed of 263 square metres.
TENURE	Vacant possession, with the opportunity to employ the existing management team.
SALES PROCESS	Sale by expression of interest



THE OPORTUNITY

In this magnificent setting of rolling hills, escarpment, lake and vineyards, is the opportunity to retreat to a country estate and acquire, as an ongoing concern, a perfect cluster of business activities centred around an award-winning vineyard.

THRIVING BUSINESS ACTIVITIES

The strategically developed and thriving business activities include:

- Wedding receptions hosted in either the architect-designed Cellar Door venue or Westering Restaurant.
- Lunches at Westering Restaurant - open Thursday to Sunday, 9 am to 4.30 pm. Average annual sales of the past three financial years for both the Cellar Door venue and Westering Restaurant total approximately AUD\$498,500 (FY2014-FY2016).

- Wine and grape sales. The vineyard - renowned for its premium cool climate wines such as Riesling, Chardonnay, Shiraz, Merlot, Cabernet Sauvignon and Tempranillo – has vines dating back 40 years. Australian wine expert, James Halliday, has awarded the Riesling a 5-star rating and the vineyard overall a 4.5-star rating.
- The average annual wine sales of the past three financial years is approximately AUD\$141,300 (FY2014-FY2016) with an 11% growth in sales experienced over that period.
- This sale also includes stock on hand of around 26,700 bottles valued at AUD\$314,500 (including GST + WET).

THRIVING BUSINESS ACTIVITIES

- Bed and breakfast accommodation
- Farm stay accommodation, and
- Serviced apartments.

HISTORY – CONTINUING THE VINEYARD'S LEGACY

A vineyard approaching its half-century

The late Captain Geoffrey Preston Hood established the vineyard, named "Westering Vineyard" in 1972.

A Canberra wine pioneer and former naval engineer, Captain Hood, was energetic, highly respected and remembered for his achievements as a Lake George vigneron of more than two decades.

The dry-grown old Riesling vines planted by Captain Hood continue to thrive to this day, producing tiny crops of powerfully flavoured grapes.

In the words of wine judge Chris Shanahan, these venerable old vines have produced at the hands of winemaker, Nick O'Leary, "an extraordinarily

concentrated Riesling – a wine of great power but also of finesse and delicacy".

Since 2008, the vines have undergone extensive grafting.

The Shiraz has been grafted to the highest quality clones (Penfolds and Best's). Now bearing fruit, these grapes will delivery quality wine.

The Pinot Noir grafting to Dijon clones (114, 115 and 777) has produced vines that are largely disease resistant and grapes delivering an elegant wine.

"Excellent winery able to produce wines of high to very high quality, knocking on door of a 5-star rating". The James Halliday's Australian Wine Companion awards a 4.5-star rating to the winery overall.



A SUPERB SETTING COMMERCIALIZED

Since the mid-1990s, the vineyard has raised its profile has a popular events venue hosting regular world-class entertainment involving performers such as Jackson Brown, Richard Clapton and Joan Armatrading.

In more recent years, it has become a sought-after wedding venue and popular restaurant venue for lunch from Thursday to Sunday.

“Overlooking the shores of Lake George, this small boutique winery is well known for its award winning wines such as Pinot Noir, Chardonnay, Semillon, Merlot and Botrytis Semillon. Lake George Winery is one of the oldest vineyards in the region and maintains it’s original beauty. Lake George wines are featured in some of Sydney and Melbourne’s award winning restaurants...” VisitCanberra and VisitNSW websites

“The [Westering] restaurant is open for lunch from Thursday to Sunday only and for functions. The setting is sleek and stylish with a central fireplace, recycled timber floors and a large verandah overlooking Lake George. The cellar is open for tastings and both venues are available for functions and weddings.” VisitNSW and Best Restaurants of Australia websites



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COMMERCIAL MOMENTUM - VENUE

The commercial venues – the Cellar Door and Westering Restaurant - are located in a modern and stylish purpose-built building on the property of Lake George Estate.

Its two levels feature the cellar door on the ground floor and restaurant on the ground floor. Both venues are popular for wedding receptions.

Over forty wedding receptions were hosted in the last calendar year (2016). Bookings for the current calendar year (2017) are currently tracking to surpass those of the prior year.

CELLAR DOOR VENUE

The intimate and atmospheric ground floor Cellar Door can accommodate up to 120-seated guests. It is predominately used as a function venue for wedding receptions. The experienced wedding and functions co-ordinator on staff ensures a high level of service and attention to detail.

"We fell in love with Lake George Winery as soon as we saw it. We wanted a venue that could host the ceremony and reception so that our guests didn't have to travel or have a long waiting time in between. The beautiful oak tree was a perfect place to get married."
Jolly Moore on the Polka Dot Weddings Blog - Australia's premier wedding blog

THE WESTERING RESTAURANT

The restaurant features recycled timber floors, an open fireplace to gather around and a large verandah area to relax and take in the views of the vineyard, surrounding escarpment and the expansive Lake George.

Up to 150 guests can be accommodated for a sit down lunch or dinner, and 130 guests with a dance floor. It can cater up to 300 for a cocktail style reception.

With its cooking philosophy of sourcing quality local ingredients, supporting local farmers and growers, always treating fresh produce with care and respecting simplicity, the restaurant has a devoted following of sophisticated metropolitan diners.

- Trip Advisor rating: 4.5/5
- Best Restaurants Australia website rating – 4/5 star

"We came for lunch on a cold Saturday afternoon. The double-sided open fire was very warm and accessible and were we toasty warm as we ate lunch next to it. The views out to Lake George and beyond are beautiful. Our lunch was amazing."

Trip Advisor member review 28 May 2016

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COMMERCIAL MOMENTUM - WINE PRODUCTION & SALES

During the past decade, the vineyard has been extensively redeveloped with the re-grafting to more marketable varieties.

Vineyard details

PLANTINGS AREA	7.09 hectares
PLANTINGS AGE	From 1970's
GEOGRAPHIC INDICATION	Canberra Wine District
VINEYARD TRELLISING	Single cordon. Treated Pine.
WATER SUPPLY	Water is plentiful with rainfall captured from the surrounding Cullarin Escarpment. The vineyard was developed with a pressurised drip irrigation system with water sourced from a large catchment dam. This water source is rarely used due to rainfall.

VARIETY	VINE NUMBERS*	2015 TONNES
RIESLING	4,881	3
CHARDONNAY	3,156	3
SHIRAZ	2,096	3
MERLOT	545	3
CABERNET SAUVIGNON	700	3
TEMPRANILLO	280	3
PINOT GRIS	1,119	3
TOTAL	12,777	68

* 2015 Numbers

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WINE PRODUCTION AND SALES

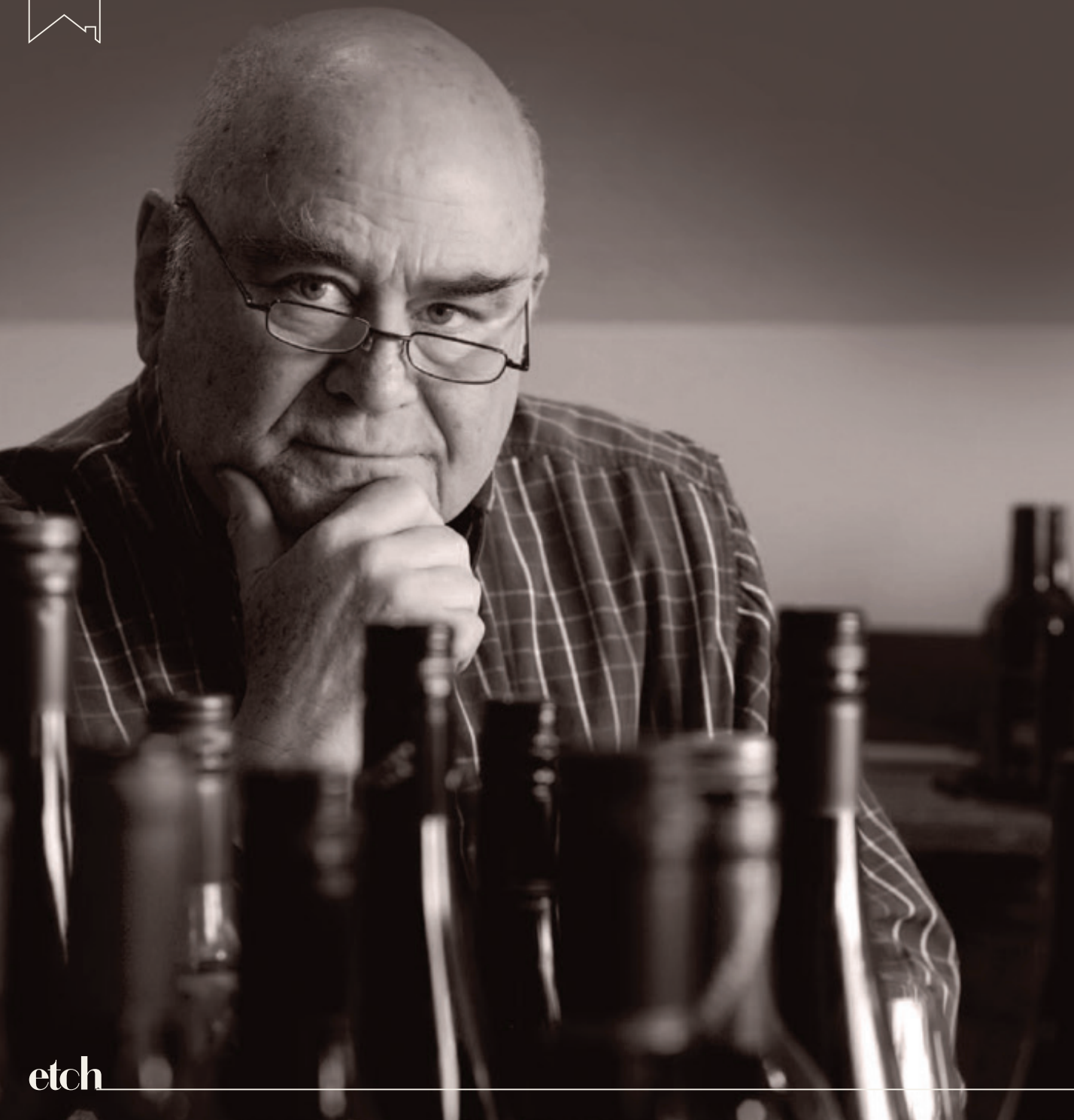
The sale includes existing bottled wine stock of approximately 26,700 bottles having a total wholesale value of \$314,500 (including GST + WET).

Approximately 70% of the production is typically sold to retailers including: IGA supermarkets; First Choice Liquor and Vintage cellars in Sydney, Canberra and Melbourne; and Canberra restaurants. The winery has also engaged with online merchants such as Wine People and CD Wines while export sales are also up and running with wines shipped internationally to New Zealand, Shanghai and Beijing in 2016/17. The remaining wine is sold through the cellar door, predominantly at catered functions to visiting guests.

While there is equipment on site to produce the wine, the grapes from the last five vintages have been processed by a local winery on a contractual basis. In 2016 the vines went through a carefully orchestrated grafting process. The vineyard has undergone extensive grafting of varieties like Shiraz and Pinot Noir. Shiraz has been grafted to Bests and Penfolds which in 2017 is now bearing fruit and resulting in a higher quality wine. The Pinot Noir has been grafted to a 114 115 777 Dijon clones from the original mv6 clones. These clones provide a high degree of disease resistance and result in a more elegant Pinot noir.

In 2016 the vineyard produced roughly 50 tonnes of grapes. If the grafts were back to normal then the yield would be closer to an estimated 70 tonnes from present vines.

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JAMES HALLIDAY

Respected wine critic and vigneron James Halliday has a career that spans over 40 years, but he is most widely known for his witty and informative writing about wine.

He awarded the 2013 Lake George Giannoula Riesling a 5-star rating and the vineyard overall a 4.5-star rating.

“Excellent winery able to produce wines of high to very high quality, knocking on door of a 5-star rating”.

The James Halliday’s Australian Wine Companion awards a 4.5-star rating to the winery overall.

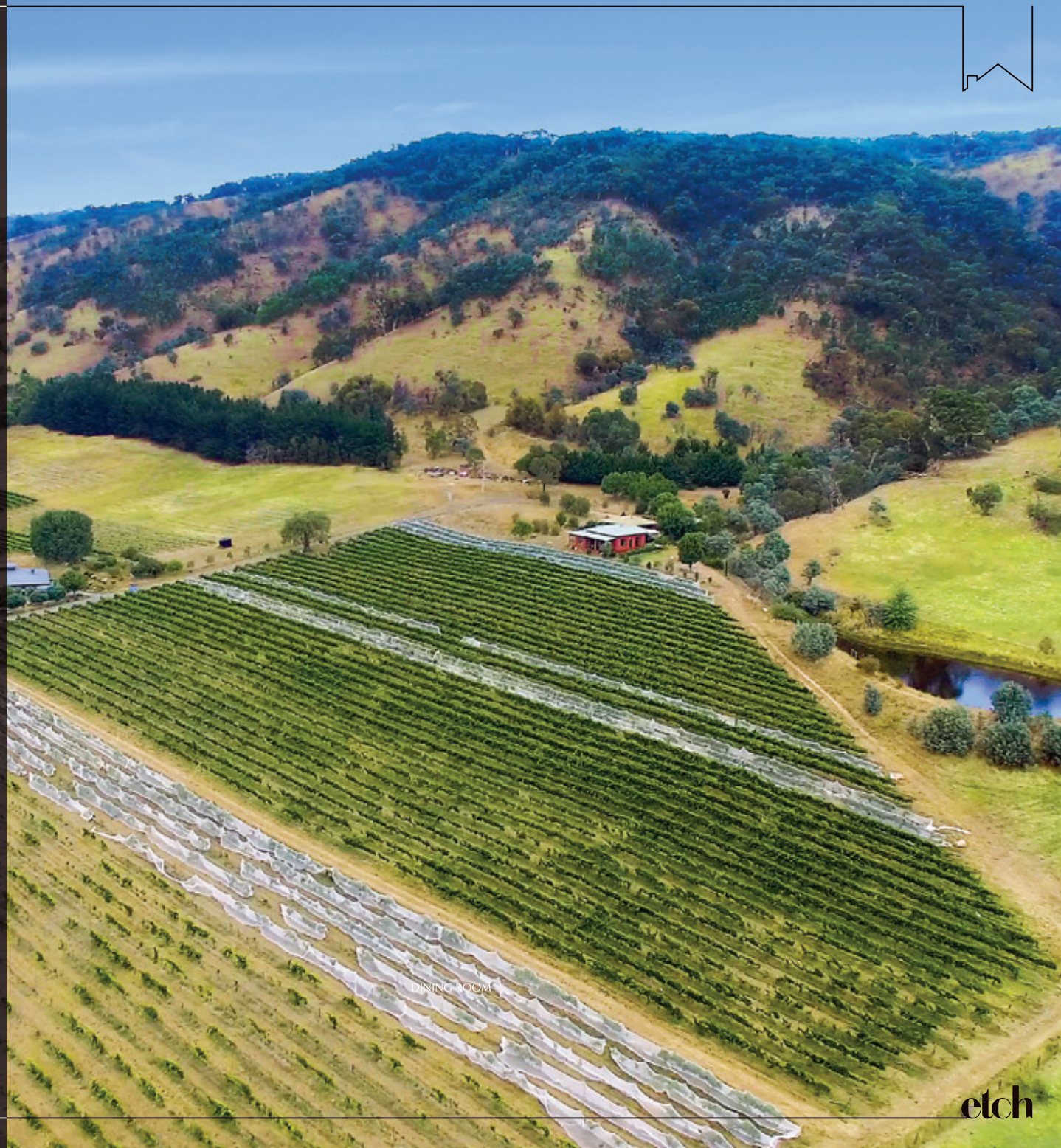
LAKE GEORGE ESTATE

The Estate's land area is 112.79 hectares with the property occupying a land footprint (marked in red below) of three separate lots as one contiguous land parcel.

The land ranges from undulating to steep in areas and occupies predominately easterly facing slopes. The vineyard is orientated in a north-south direction with the property's structures located towards the southeastern corner.

The soils are relatively homogenous throughout the property and are predominantly a fine loam over decomposed granite. Average annual rainfall is 713.4 mm.

Temperatures are cool to mild ranging from a mean minimum low of 1.1 degree in July to a mean maximum high of approximately 27.4 degrees in January.



DINING ROOM



GRAPEST 5K RUN

Commercial Momentum:

Lake George Estate (LGE) has signed a 3-year deal with Outdoor Events to host a fun run event at the Vineyard.

LGE will in return receive 10% royalty on all ticket sales and all wine/beer/water beverages and food sales go to LGW.

www.grapest5krun.com.au

LGE Requirements:

- 2500+ Participants
- Car parking capacity 600+
- Cellar door capacity 2000+ bottles to sell
- Vineyard to provide wine for the wine tasting section including 2 staff per station (1km wine tasting walk includes 4 tasting stations with 2 varieties at each station and 2 staff)
- An area to set up a professional stage 8m x 6m, organisers to provide lighting and power
- A venue that will allow organisers to design a 5km run throughout the vineyard and around the property. This course design would be approved by the vineyard owner/manager first.

Participant Inclusions:

- Lanyard with custom wine cup
- Race headband
- Wrist band
- Grapest 5k Run – Sip happens medal
- Live band/DJ
- Water station
- 1km wine tasting (4x stations)
- Current Selector Magazine (RRP \$8.50)



MAP OF LOCATION

Canberra's wine region is home to 140 vineyards and more than 30 cellar doors. It is located within 40 minutes' drive of Canberra.

The wineries benefit from the promotional support of Visit Canberra which pitches the region as "among the top choices of connoisseurs around the world" and the Canberra District Wine Association.

A strong flow of visitors is generated by initiatives such as the Canberra District Wine Harvest Festival, Canberra District Wine Week and regular wine tours.

CANBERRA INTERNATIONAL AIRPORT

Perhaps one of the most exciting evolution to the city of Canberra is the new international terminal. Lake George Estate is located on 30 minutes (48 kms) from the new airport.

Canberra's stylish new international terminal is now welcoming passengers on direct international flights and has been praised as one of the best in the country. For international flights, new facilities are being built for customs, immigration and quarantine, plus dedicated transit lounges, baggage screening, processing and collecting points, money exchanges and duty-free retail.

PRIZED FUNCTION VENUE AND CELLAR DOOR



DINING ROOM



MASTER BEDROOM



PATIO / ENTERTAINMENT AREA

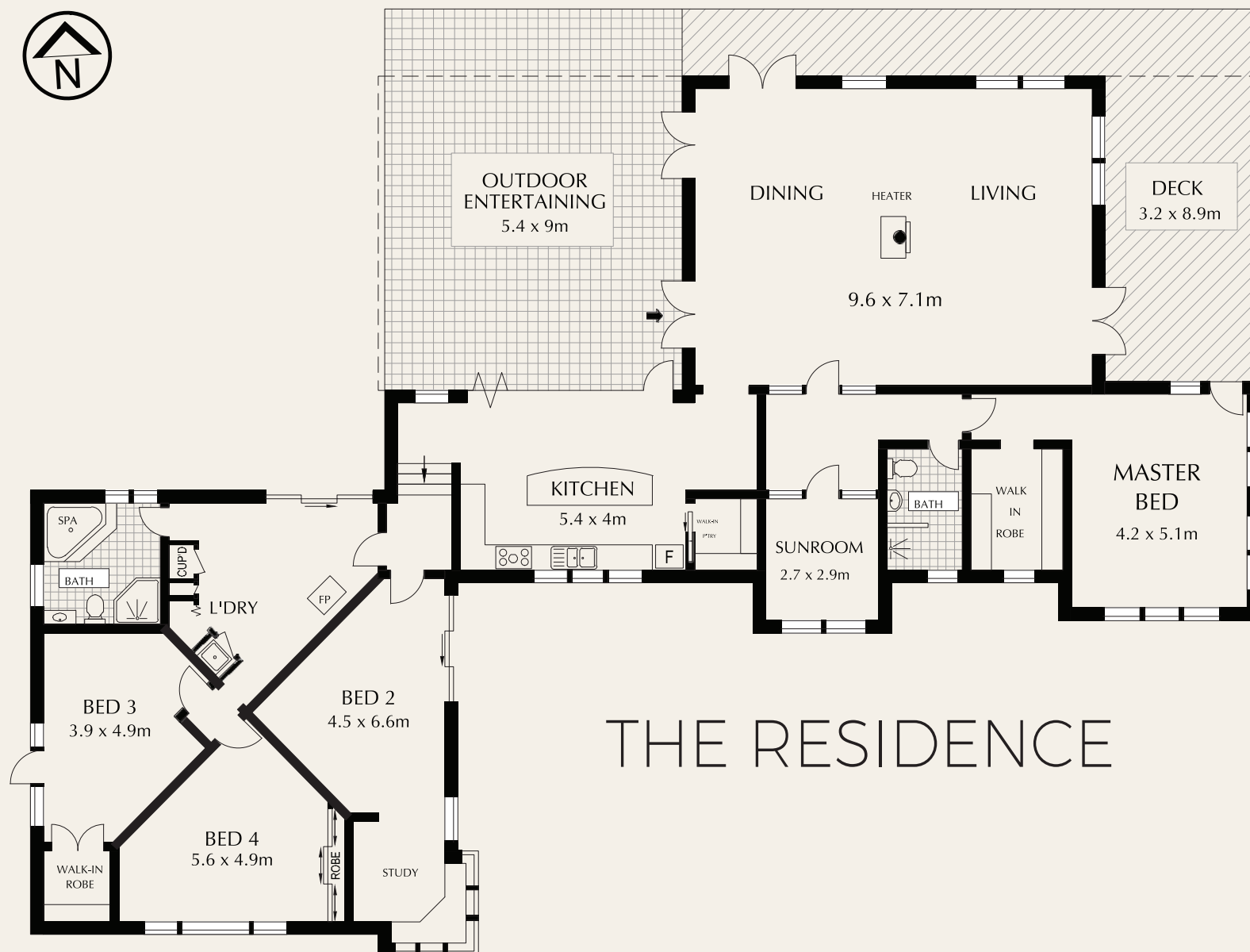


OUTDOOR ENTERTAINMENT



WINE TASTING LOUNGE





THE RESIDENCE



EXPRESSION OF INTEREST FORM

173 THE VINEYARDS, LAKE GEORGE, NSW

To be lodged to Etch Real Estate Pty Ltd - eoi@etchrealestate.com.au

Possible Funding Arrangements:

PURCHASER DETAILS

Name

Address

Phone

Email

PROPOSED PURCHASER TERMS

Purchase Price

Deposit

Proposed Settlement

Conditions

PURCHASER SOLICITOR DETAILS

Firm

Contact

Address

Phone

Email

Signature

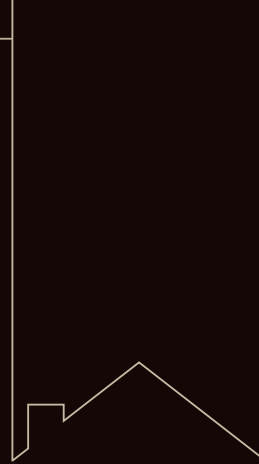
Print Name

Company Name

Date / /

The vendor specifically reserves the following rights:

1. To accept or reject any expression of interest in its absolute discretion including the highest expression of interest made and without having to attribute reasons therefore or to be accountable in any way.
2. To extend the closing date.
3. To discuss any matter and to deal with any parties submitting an expression of interest at any time before or after the closing date.



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