

Wine Safari to Los Olivos

- A high end excursion service for tourists on a train in the heart of wine country
- Wine tasting from a variety of some of the finest wines in the nation
- First class service with wine history, pairings and five star cuisine from our various boutique wineries
- New featured wineries every month
- Discount purchases of featured wines
- www.xwinerailroad.com
- [https://www.facebook.com xwinerailroad](https://www.facebook.com/xwinerailroad)
- <https://twitter.com/XWineRailroad>





Important Notice

- This confidential information memorandum (the “Memorandum”) has been approved by X Wine Railroad. (the “Company”) and is being provided to the recipient hereof (“Recipient”) on a confidential basis in connection with Recipient’s evaluation of the Company and/or a potential transaction with the Company. Acceptance and use of the Memorandum is governed by the terms of the previously executed Confidentiality Agreement (the “CA”) between Recipient and the Company’s financial adviser. By accepting this Memorandum, the Recipient acknowledges and agrees that the use of this Memorandum and all of the information contained herein is subject to the CA.
- The information contained herein has been prepared to assist Recipient and other interested parties in making their own evaluation of the Company but does not purport to contain all of the information that such parties may desire in investigating the Company. In all cases, interested parties must conduct their own due diligence review and analysis of the Company, its assets, financial condition and prospects, and all of the data set forth in this Memorandum. Interested parties should not consider an investment in or other financing arrangement with the Company unless satisfied that it has asked for, received and reviewed all information about the Company to enable the interested party to evaluate the merits and risks of any proposed investment in or other transaction involving the Company.
- This Memorandum is given to Recipient based on the understanding that Recipient is a sophisticated investor with sufficient knowledge, experience and professional advice to make its own evaluation of the merits and risks of an investment in or other transaction involving the Company. Any investment in the Company will involve significant risks and should be considered only by those who are experienced and sophisticated and can bear the substantial impairment or loss of any such investment. The Company does not make any representation or warranty as to the accuracy or completeness of this Memorandum or the information contained in, or for any omissions from, this Memorandum or any other written or oral communications transmitted to the Recipient in the course of its evaluation of the Company.
- By accepting this Memorandum, the Recipient acknowledges and agrees that (i) the Recipient will not distribute or reproduce this Memorandum, in whole or in part; (ii) if the Recipient does not wish to pursue this matter, or at the request of the Company, the Recipient will return this Memorandum to the Company as soon as practicable, together with all other material relating to the Company which the Recipient may have received from the Company or its advisors; and (iii) any proposed actions by the Recipient which may be inconsistent in any respect with the foregoing will require the prior written consent of the Company.



Important Notice (Continued)

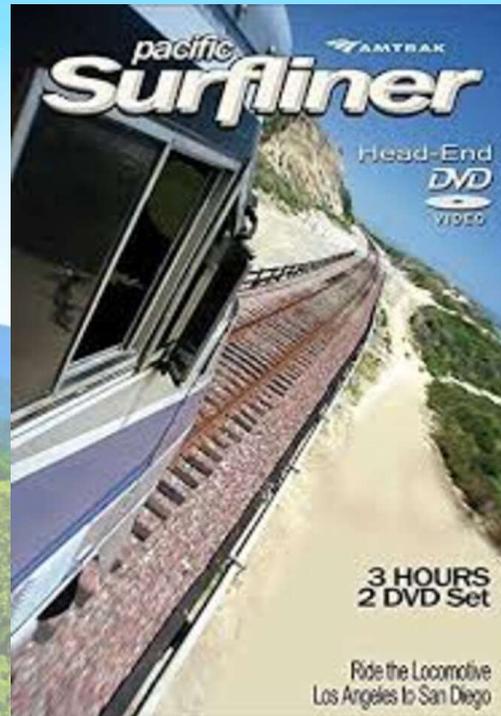
- **Caution Regarding Forward-Looking Information**

- This Memorandum contains statements that are forward-looking. Statements that include words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “will,” “estimate” or “projects,” variations of such words and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Memorandum, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. These statements are based on the Company’s current expectations and assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. There can be no assurance that actual events will correspond with these forward-looking statements or that factors beyond the control of the Company and its management will not affect the assumptions on which the forward-looking statements are based. The Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

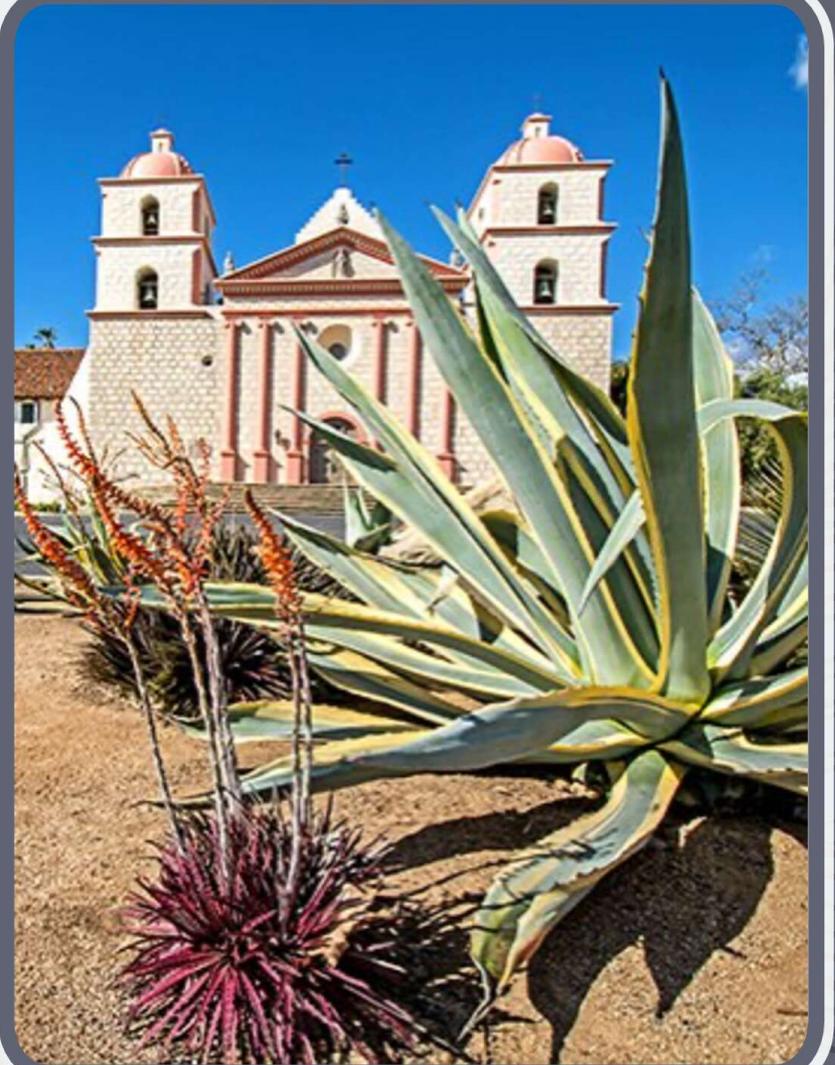
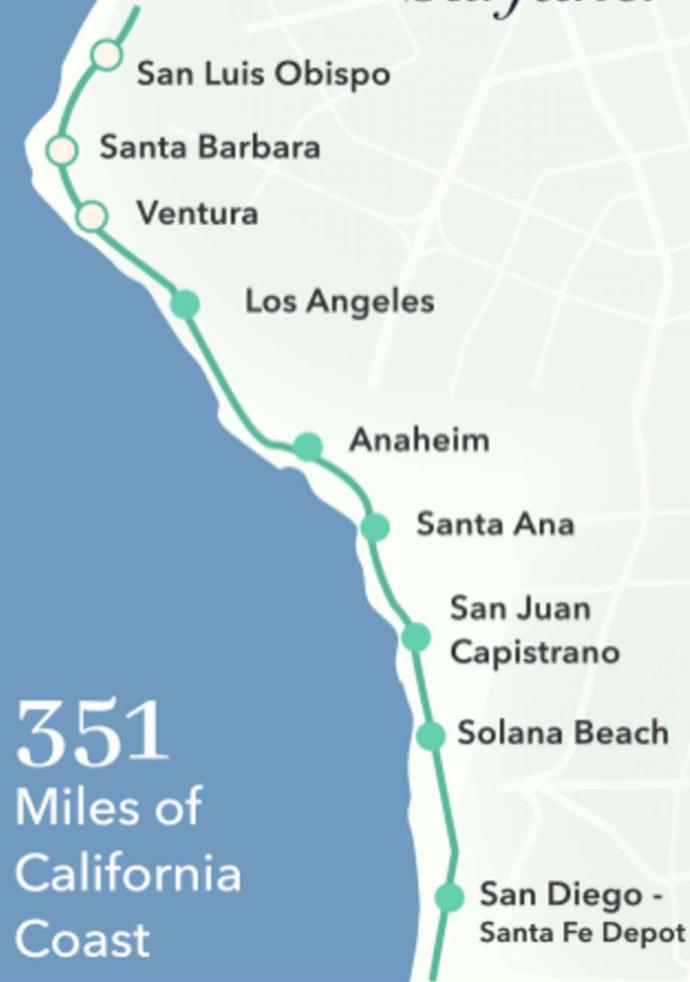
- **Caution Regarding Financial and Operating Projections**

- All operating or financial projections or forecasts included in this Memorandum have been prepared by the Company and are based on various estimates, assumptions and hypothetical scenarios. Forecasts and projections of operating results and financial performance are, by nature, speculative and based in part on anticipating and assuming future events (and the effects of future events) that are impossible to predict and no representation of any kind is made with respect thereto. The Company’s future results and achievements will depend on a number of factors, including the accuracy and reasonableness of the assumptions underlying any forecasted information as well as on significant business, economic, competitive, regulatory, technological and other uncertainties, contingencies and developments that in many cases will be beyond the Company’s control. Accordingly, all projections or forecasts (and estimates based on such projections or forecasts) made available to the Recipient and other interested parties should not be viewed as an assessment, prediction or representation as to future results and the Recipient and other interested parties should not rely, and will not be deemed to have relied, on any such projections or forecasts. Actual results may and are likely to differ substantially, and may be materially worse than any projection, forecast or scenario set forth in this Memorandum.

Our Host – The Pacific Surfliner



Surfliner



Members of the Los Olivos Chamber of Commerce
welcome you to

LOS OLIVOS CALIFORNIA

SHOPPING

- 1 Avec Moi Décor
- 2 The Fabric Merchant
- 3 First Street Leather
- 4 Gallery Los Olivos
- 5 Global Gardens
- 6 J. Woeste in Los Olivos
- 7 Jedlicka's Saddlery
- 8 Los Olivos General Store
- 9 Olive Hill Farm
- 10 Pumacasu
- 11 Shed Shop
- 12 Spa & Boutique at Fess Parker Wine Country Inn
- 13 The Style Junction
- 14 Wendy Foster, Los Olivos
- 15 Wildflower Women Boutique

FOOD

- 16 coming soon
- 17 Los Olivos Wine Merchant & Cafe
- 18 Panino
- 19 R Country Market
- 20 Saarloos & Enjoy Cupcakes
- 21 Sides Hardware & Shoes

SERVICES

- 22 a santé spa
- 23 Drammer Construction
- 24 Fess Parker Wine Country Inn
- 25 Jones Land Use Planning
- 26 Los Olivos Dance Gallery
- 27 RMS Flooring
- 28 Sapphire Room
- 29 Sotheby's International Realty
- 30 Spa Elan
- 31 St. Mark's-in-the-Valley Church
- FREE WIFI, RESTROOMS
- 32 Suzanne May Jakkola, EA Inc.

TASTING ROOMS, WINE AND BEER

- 33 Alexander & Wayne / Arthur Earl
- 34 Artiste
- 35 Bien Nacido & Solomon Hills Estates
- 36 Blair Fox
- 37 Brewer-Clifton
- 38 The Bubble Shack
- 39 Ca' del Grevino
- 40 Carhartt
- 41 Carucci
- 42 Community Craft
- 43 Coquelicot
- 44 Dragonette Cellars
- 45 E11even by Andrew Murray
- 46 Epiphany Cellars
- 47 Evan's Ranch/Gainey
- 48 F2 at the Sapphire Room
- 49 Figueroa Mtn Brewing Co
- 50 The Hideaway LO
- 51 Holus Bolus & Black Sheep
- 52 Jalopy
- 53 Kaena
- 54 Larner
- 55 Liquid Farm
- 56 Refugio Ranch
- 57 Rivachil
- 58 Saarloos & Sons
- 59 Samsara
- 60 Solminer
- 61 Stolpman
- 62 Taste of SRH & Moretti
- 63 Toretti
- 64 Waylan
- 65 Zinke

← To 101, Buellton, Los Alamos



To Santa Ynez, Santa Barbara →

Alamo Pintado Ave.

Santa Barbara Ave.

← To Ballard, Solvang

Nojoqui Ave.

Grand Ave.

Jonata St.

Hollister St.

San Marcos Ave.

MAP NOT TO SCALE



For details and more events
visit www.LosOlivosCa.com

#losolivos @LosOlivosca



membership@losolivosca.com

Winter/Spring 2020



Wineries in the Santa Ynez Valley





VINCENT
VINEYARDS

Featured Wine Partner



Financial Forecast

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X Wine Railroad 5 Year Financial Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
OPERATING REVENUES					
Train Revenues					
Individual Ticket Revenue	\$ 1,627,920	\$ 2,563,974	\$ 3,589,564	\$ 4,711,302	\$ 5,441,554
TOTAL TRAIN REVENUES	\$ 1,627,920	\$ 2,563,974	\$ 3,589,564	\$ 4,711,302	\$ 5,441,554
OPERATING EXPENSES					
COGS					
Amtrak Tickets	\$ 484,800	\$ 727,200	\$ 969,600	\$ 1,212,000	\$ 1,333,200
F&B cost/month	\$ 163,200	\$ 171,360	\$ 179,928	\$ 188,924	\$ 198,371
Wine tasting/month	\$ 81,600	\$ 85,680	\$ 89,964	\$ 94,462	\$ 99,185
Lunch/month	\$ 81,600	\$ 85,680	\$ 89,964	\$ 94,462	\$ 99,185
Credit card fee	\$ 24,419	\$ 38,460	\$ 53,843	\$ 70,670	\$ 81,623
Tour bus	\$ 147,840	\$ 221,760	\$ 295,680	\$ 369,600	\$ 406,560
Labor/run	\$ 48,000	\$ 72,000	\$ 96,000	\$ 120,000	\$ 132,000
GM	\$ 96,000	\$ 144,000	\$ 192,000	\$ 240,000	\$ 264,000
Travel/month	\$ 9,600	\$ 9,600	\$ 9,600	\$ 9,600	\$ 9,600
Corporate overhead	\$ 12,000	\$ 240,000	\$ 300,000	\$ 300,000	\$ 300,000
Marketing/month	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Total COGS	\$ 1,173,059	\$ 1,819,740	\$ 2,300,579	\$ 2,723,718	\$ 2,947,725
X Train EBITDA	\$ 454,861	\$ 744,234	\$ 1,288,984	\$ 1,987,584	\$ 2,493,830
Operating Ratio	72.06%	70.97%	64.09%	57.81%	54.17%
Dividends	\$ 113,715	\$ 186,059	\$ 322,246	\$ 496,896	\$ 623,457
Net Profit	\$ 341,146	\$ 558,176	\$ 966,738	\$ 1,490,688	\$ 1,870,372

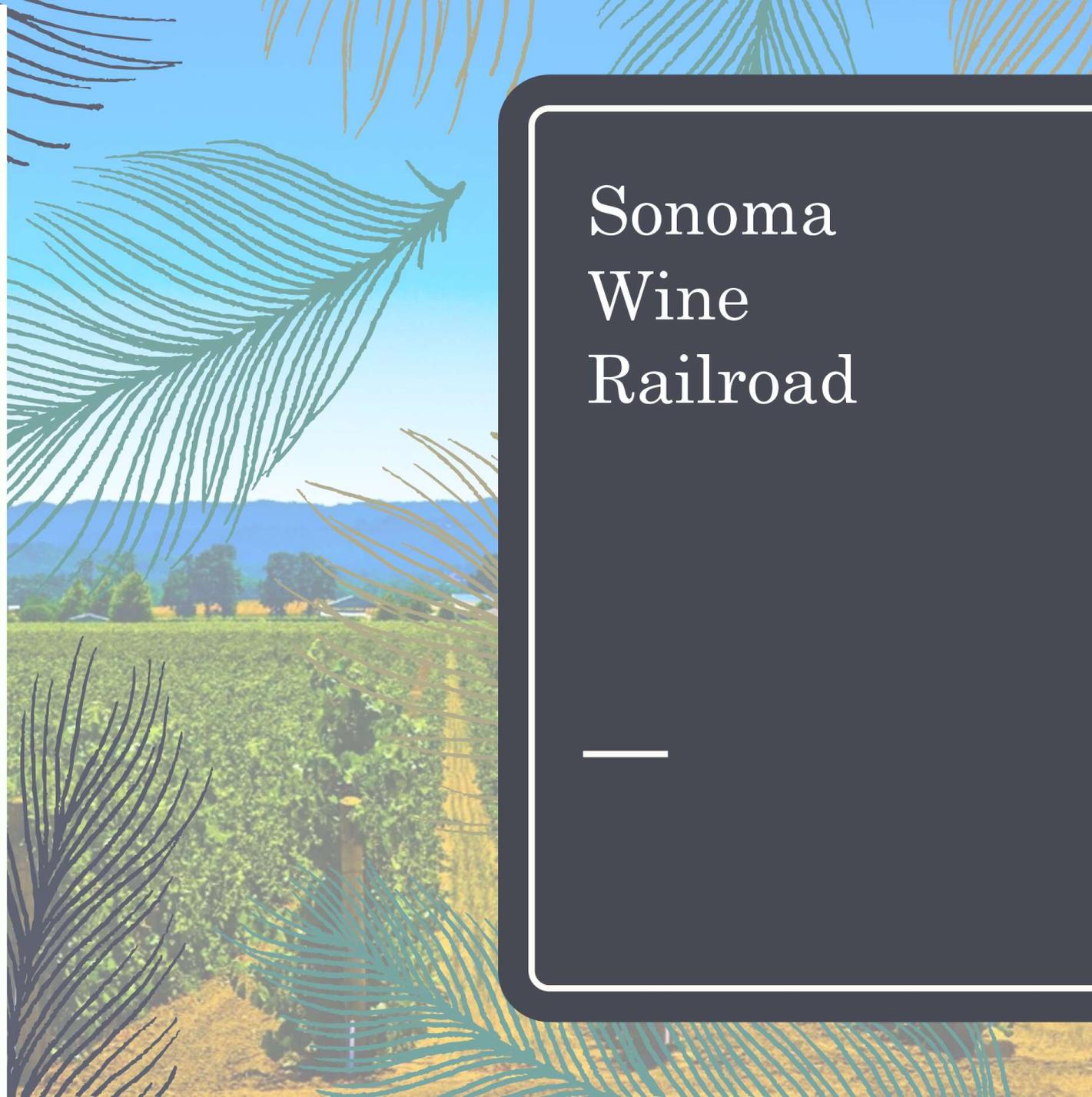
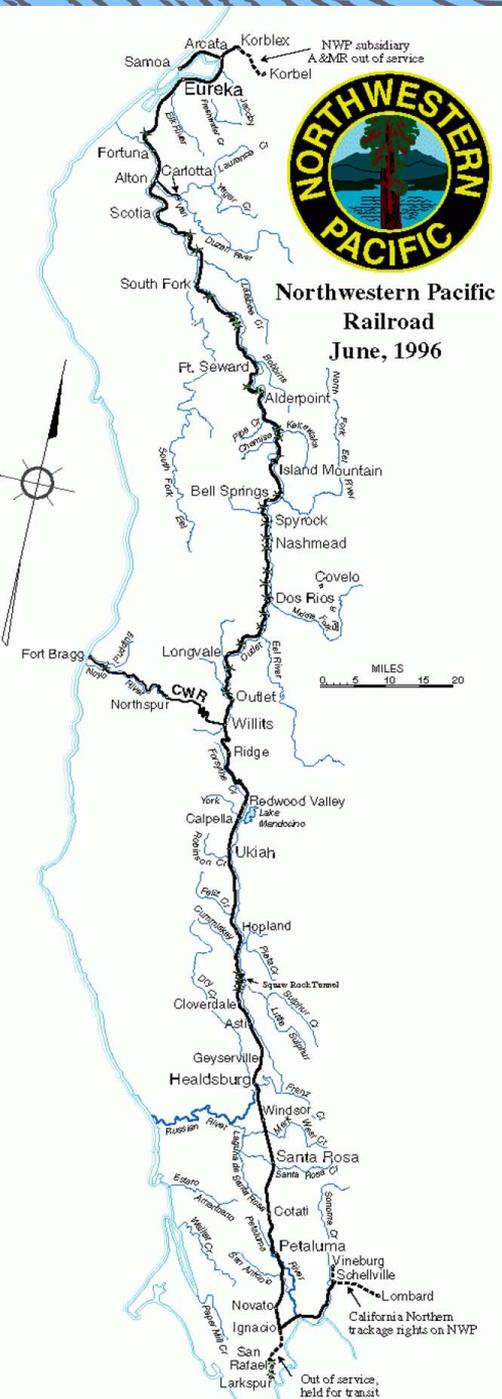
Expansion California Wine Regions

Wine regions of California Central Coast



Central Coast

- 1 - San Francisco Bay
- 2 - Livermore Valley
- 3 - Santa Clara Valley
- 4 - San Ysidro District
- 5 - Santa Cruz Mountains
- 6 - Ben Lomond Mountain
- 7 - Pacheco Pass
- 8 - San Benito
- 9 - Paicines
- 10 - Lime Kiln Valley
- 11 - Mt. Harlan
- 12 - Cienega Valley
- 13 - Monterey
- 14 - Carmel Valley
- 15 - Santa Lucia Highlands
- 16 - Arroyo Seco
- 17 - San Bernabe
- 18 - San Lucas
- 19 - San Antonio Valley
- 20 - Hames Valley
- 21 - Paso Robles
- 22 - York Mountain
- 23 - Edna Valley
- 24 - Arroyo Grande Valley
- 25 - Santa Maria Valley
- 26 - Santa Rita Hills
- 27 - Santa Ynez Valley
- 28 - Happy Canyon of Santa Barbara

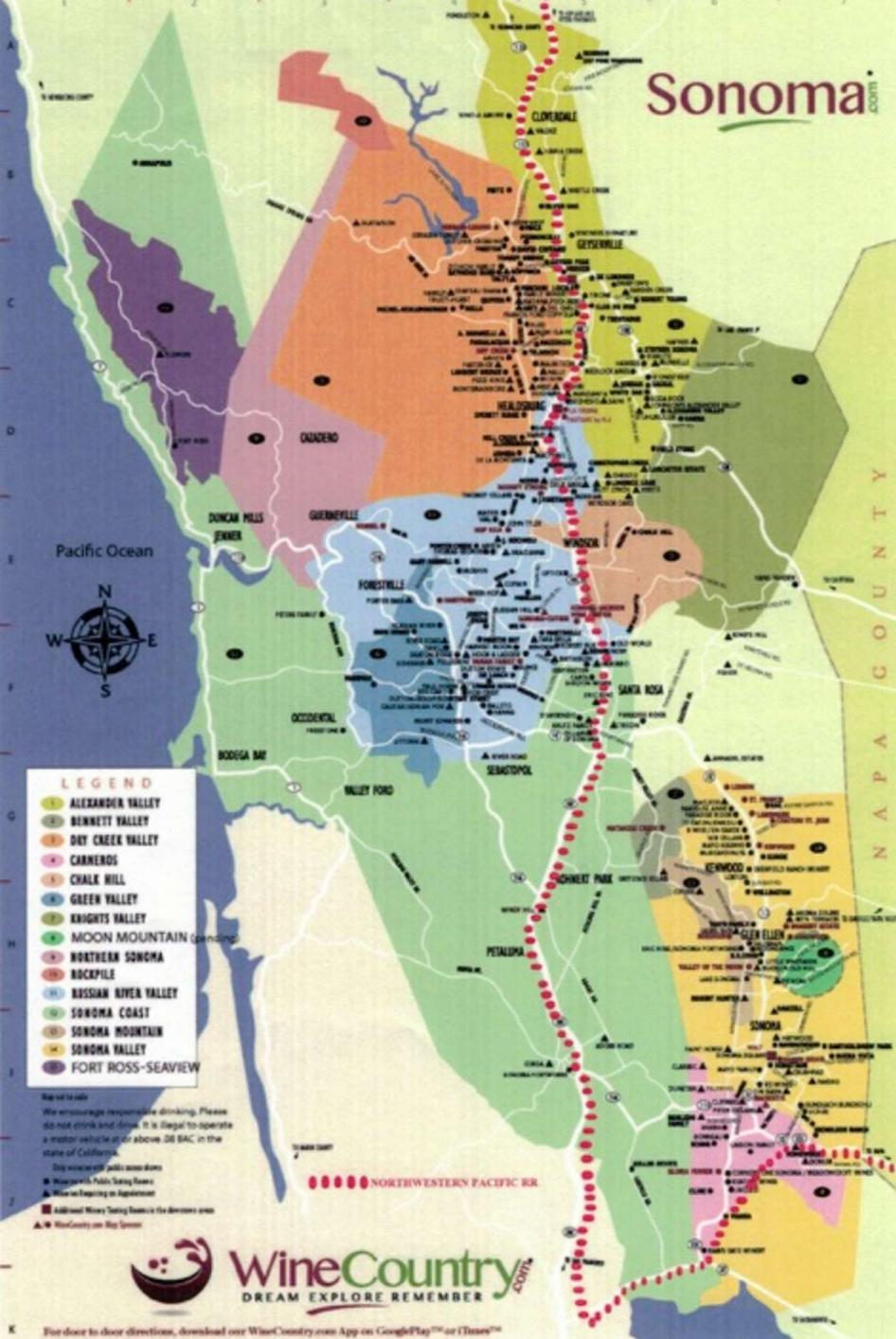


Sonoma Wine Railroad

Our Host – SMART



400 Wineries Featured on our Train



Financial Forecast

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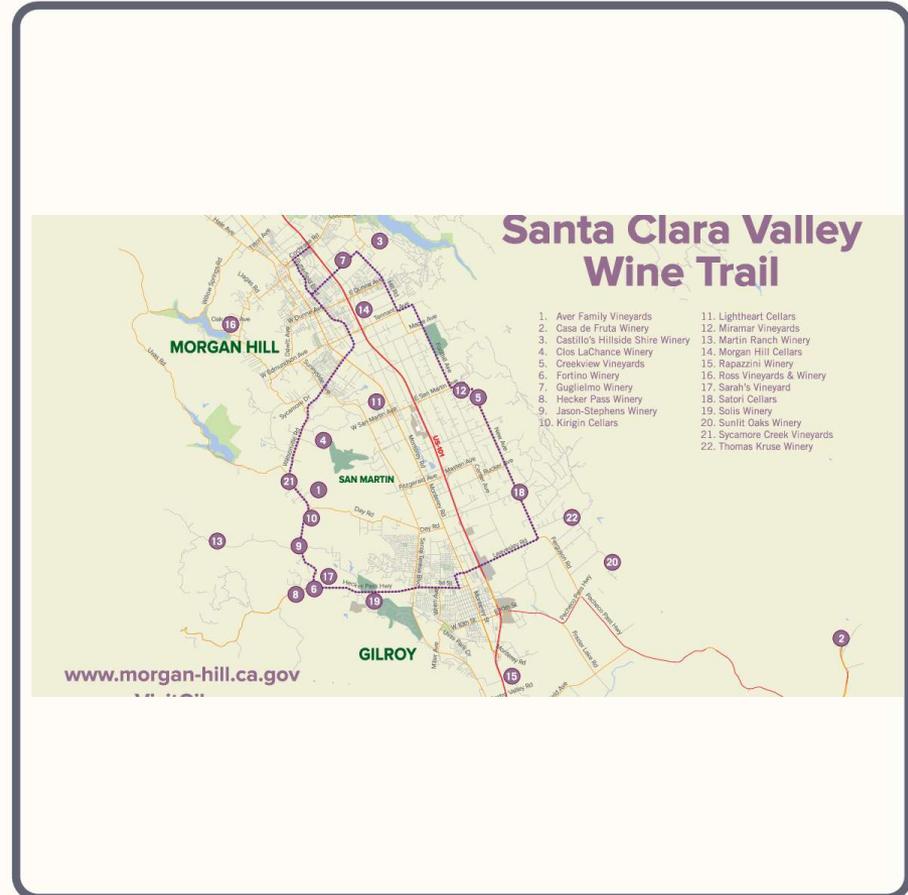
X Wine Railroad Sonoma 5 Year Financial Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
OPERATING REVENUES					
Train Revenues					
Individual Ticket Rev	\$ 1,723,680	\$ 2,262,330	2,850,536	\$ 3,491,906	\$ 4,190,288
Corporate Revenue	\$ -	\$ -	-	\$ -	\$ -
SBto SLO Revenue	\$ -	\$ -	-	\$ -	\$ -
TOTAL TRAIN REVENUES	\$ 1,723,680	\$ 2,262,330	\$ 2,850,536	\$ 3,491,906	\$ 4,190,288
OPERATING EXPENSES					
COGS					
F&B/Individual	\$ 486,000	\$ 540,000	\$ 648,000	\$ 756,000	\$ 864,000
F&B/Corporate	\$ 54,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000
F&B/SLO	\$ -	\$ 162,000	\$ 189,000	\$ 216,000	\$ 243,000
Wine Tour/Individual	\$ 631,800	\$ 702,000	\$ 842,400	\$ 982,800	\$ 1,123,200
Wine Tour/Corporate	\$ 70,200	\$ 140,400	\$ 140,400	\$ 140,400	\$ 140,400
Car Lease Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Credit card fees	\$ 25,855	\$ 33,935	\$ 42,758	\$ 52,379	\$ 62,854
Misc (supplies, hotel, car exp)	\$ 108,000	\$ 144,000	\$ 168,000	\$ 192,000	\$ 216,000
Total COGS	\$ 1,375,855	\$ 1,830,335	\$ 2,138,558	\$ 2,447,579	\$ 2,757,454
X Train EBITDA	\$ 347,825	\$ 431,995	\$ 711,978	\$ 1,044,328	\$ 1,432,833
Operating Ratio	79.82%	80.90%	75.02%	70.09%	65.81%

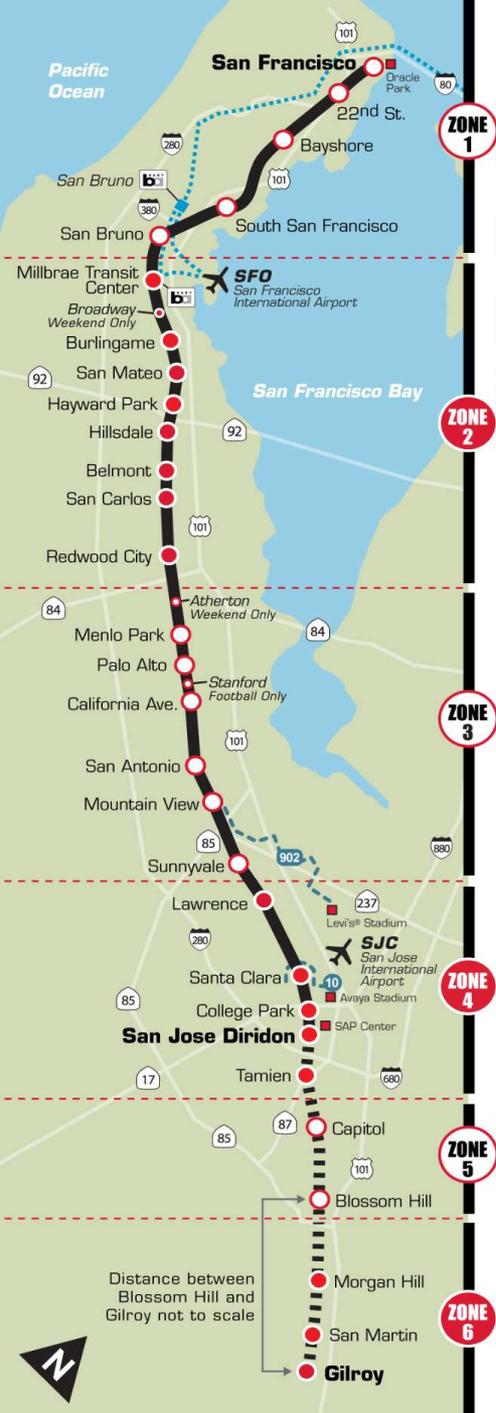


Santa Clara Valley

Wine Railroad



Our Host – Cal train



Financial Forecast

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		X Wine Railroad Santa Clara				
		5 Year Financial Plan				
		Year 1	Year 2	Year 3	Year 4	Year 5
OPERATING REVENUES						
Train Revenues						
	Individual Ticket Rev	\$ 534,752	\$ 641,702	\$ 770,043	\$ 924,051	\$ 1,108,862
	Corporate Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	SB to SLO Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL TRAIN REVENUES	\$ 534,752	\$ 641,702	\$ 770,043	\$ 924,051	\$ 1,108,862
OPERATING EXPENSES						
COGS						
	F&B/Individual	\$ 267,376	\$ 320,851	\$ 385,021	\$ 462,026	\$ 554,431
	Total COGS	\$ 267,376	\$ 320,851	\$ 385,021	\$ 462,026	\$ 554,431
	X Train EBITDA	\$ 267,376	\$ 320,851	\$ 385,021	\$ 462,026	\$ 554,431
	Operating Ratio	50.00%	50.00%	50.00%	50.00%	50.00%



X Wine Railroad Consolidated Forecast



Consolidated Operating Units 5 Year Financial Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
OPERATING REVENUES					
Train Revenues					
X Wine railroad					
Los Olivos	\$ 1,436,400	\$ 1,795,500	2,154,600	\$ 2,513,700	\$ 2,872,800
Sonoma	\$ 1,723,680	\$ 2,262,330	2,850,536	\$ 3,491,906	\$ 4,190,288
Santa Clara Valley	\$ 534,752	\$ 641,702	\$ 770,043	\$ 924,051	\$ 1,108,862
	\$ -	\$ 1,559,250	1,637,213	\$ 1,719,073	\$ 1,805,027
TOTAL TRAIN REVENUES	\$ 3,694,832	\$ 6,258,782	\$ 7,412,391	\$ 8,648,731	\$ 9,976,976
OPERATING EXPENSES					
COGS					
X Wine railroad					
Los Olivos	\$ 1,152,066	\$ 1,438,583	\$ 1,725,099	\$ 2,011,616	\$ 2,298,132
Sonoma	\$ 1,375,855	\$ 1,830,335	\$ 2,138,558	\$ 2,447,579	\$ 2,757,454
Santa Clara Valley	\$ 267,376	\$ 320,851	\$ 385,021	\$ 462,026	\$ 554,431
	\$ -	\$ -	\$ -	\$ -	\$ -
Total COGS	\$ 2,795,297	\$ 3,589,769	\$ 4,248,678	\$ 4,921,221	\$ 5,610,017
X Train EBITDA	\$ 899,535	\$ 2,669,013	\$ 3,163,713	\$ 3,727,510	\$ 4,366,959
Operating Ratio	75.65%	57.36%	57.32%	56.90%	56.23%

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