



GILL'S PIER VINEYARD & WINERY INC.

LEELANAU PENINSULA'S PREMIER WINERY DESTINATION



We are pleased to deliver the prospectus for Gill's Pier Vineyard & Winery, Inc. In developing this, we were amazed at how far we have come with this business and how much farther it can go. The grape and wine industry in Northern Michigan is in such a young stage, and with the 8 years of steady growth we have experienced, Gill's Pier Winery has a bright future.

All of the aspects for the continued growth of our business exist: location, room for expansion, quality and most importantly, reputation. People know what to expect when they walk through our doors and we deliver. We are extremely proud of the product that we have developed over the past years and have had a wonderful time in growing our brand.

Sincerely,

Ryan & Kristin Sterkenburg



Our mission is as follows:

Gills Pier Vineyard and Winery is committed to the quality and consistency necessary to provide a superior product for those that share the appetite for fine wines.

We believe that through hard work and attention to detail, our customers will share our belief that we offer the best product at a fair and reasonable price.

GILL'S PIER VINEYARD & WINERY BEGAN FROM SCRATCH BY A FAMILY WITH A DREAM. THE STERKENBURG FAMILY WISHED TO BUILD A FAMILY BUSINESS IN LEELANAU COUNTY WHICH WOULD GROW AND PROSPER. AFTER EIGHT YEARS OF HARD WORK, DEDICATION, EDUCATION AND ENTHUSIASM GILL'S PIER IS NOW CONSIDERED ONE OF THE BEST WINERIES IN NORTHERN MICHIGAN.

WE ARE LOOKING FOR A BUYER WITH A SIMILAR DREAM AND WHO HAS THE DESIRE TO TAKE THIS SMALL, TURN- KEY BUSINESS TO THE NEXT LEVEL. THE FOUNDATION IS IN PLACE. THE FUTURE PROPRIETOR OF GILL'S PIER WILL HAVE THE OPPORTUNITY FOR GROWTH, EXPANSION AND ENDLESS REWARDS.

OVERVIEW OF GPVW

- ** ESTABLISHED BRAND WITH A SOLID REPUTATION FOR HIGH QUALITY
- ** 52 ACRES INCLUDING: 4 ACRES OF MATURE VINES WITH IRRIGATION, 20 ADDITIONAL ACRES OF PLANTABLE VINEYARD, ELEGANT TASTING ROOM, EXTRA LARGE BARN FOR STORAGE OR FUTURE PROCESSING FACILITY OR EVENT FACILITY, MAN MADE POND WITH PATIO, OPERATING 1936 FORD STAKE TRUCK
- ** WINERY PRODUCTION OF 2,300 CASES WITH ENDLESS ROOM FOR GROWTH
- ** TASTING ROOM WITH 100-YEAR-OLD RESTORED ANTIQUE MAHOGANY BAR, EUROPEAN ANTIQUES, WALNUT POLISHED FLOORS, BEAUTIFULLY LANDSCAPED GROUNDS AND WELL TRAINED, PROFESSIONAL AND FUN STAFF
- ** OPTION TO CONTINUE WORKING RELATIONSHIP WITH LOCALLY FAMOUS WINE MAKER, AND/OR EXPANDING CUSTOM CRUSH TO OTHER WINE MAKERS
- ** ESTABLISHED RELATIONSHIP WITH LOCAL AND STATE GROWERS TO PROVIDE ADDITIONAL FRUIT
- ** WINES HAVE RECEIVED ACCOLADES AND AWARDS ON LOCAL, NATIONAL AND INTERNATIONAL LEVEL
- ** WINES CAN BE SOLD IN MANY DIFFERENT CHANNELS – RETAIL, WHOLESALE OR DISTRIBUTOR
- ** EXPANSION IS POSSIBLE TO OTHER AREAS SUCH AS BANQUETS, WEDDINGS OR RESTAURANT FOR ADDITIONAL INCOME
- ** OWNERS WILLING TO ASSIST BUYERS WITH TRAINING AND CONSULTING ON ALL ASPECTS OF SUCCESSFUL VINEYARD & WINERY OPERATIONS
- ** OPTION TO BUY HOMESTEAD ~ 3 ACRES, 3000+ SQUARE FEET, 4 BEDROOM, 5 BATHROOM HOME SITUATED ADJACENT TO MATURE VINEYARD, VIEWS OF LAKE MICHIGAN AND LAKE LEELANAU



HISTORY OF GILL'S PIER & FUTURE OF GILL'S PIER

THE FOUNDERS:

RYAN AND KRIS STERKENBURG STARTED GILL'S PIER IN 2002 WITH A DREAM AND 20 ACRES OF VACANT FIELDS. THEIR PASSION FOR LEELANAU COUNTY, DESIRE TO START AN AGRICULTURALLY BASED BUSINESS, AND LOVE OF WINE LED THEM TO DEVELOP GILL'S PIER VINEYARD & WINERY. THE WINERY IS NAMED AFTER THE HISTORICAL AREA GILL'S PIER, WHICH WAS A LOGGING TOWN IN THE MID 1800'S.

THE STERKENBURG'S BUILT THE HOME IN 2001 ON THREE ACRES ADJACENT TO THE VINEYARD. THE HOME WAS BUILT FOR A GROWING FAMILY AND ALSO BUILT IN THE HILLSIDE TO TAKE AVANTAGE OF THE COMANDING VIEWS AND SUNSETS OVER LAKE MICHIGAN.

THE VINEYARD:

IN 2003, THEY PLANTED THE 4-ACRE VINEYARD WITH RIESLING, CABERNET FRANC, MERLOT AND SAUVIGNON BLANC GRAPES. THE VINEYARD SITE IS EXCEPTIONAL WITH THE SLOPE AND SOUTHERN EXPOSURE. THE WINDS OF THE LAKE KEEP THE VINEYARD DRY AND SLIGHTLY WARMER IN THE WINTER. THE LAKE EFFECT SNOW THAT BLANKETS THE VINEYARD IN THE WINTER ACTS AS A COZY BLANKET TO PROTECT THE VINES. OUR VINEYARD AND THE QUALITY OF THE FRUIT THAT IT HAS PRODUCED IS A TESTAMENT TO THE CARE AND PRIDE WE TAKE IN OUR OPERATION.

THE WINE MAKER:

ALSO IN 2003, THEY MET AWARD WINNING WINE MAKER BRYAN ULBRICH AND PURCHASED LOCAL FRUIT TO MAKE THE FIRST TWO GILL'S PIER WINES. THE 2002 RIESLING – THE VERY FIRST WINE PRODUCED BY GILL'S PIER – TOOK THE BEST IN CLASS AWARD FOR THE STATE OF MICHIGAN! THIS WAS THE BEGINNING OF A STRING OF AWARDS ON THE STATE, NATIONAL AND INTERNATIONAL LEVELS. QUALITY IS THE NUMBER ONE STANDARD FOR GILL'S PIER AND OUR REPUTATION IS BUILT ON THAT!

THE TASTING ROOM:

THE TASTING ROOM WAS BUILT IN 2003 AND OFFICIALLY OPENED IN MAY OF 2004. THE CLOSE PROXIMITY TO THE TOWNS OF LELAND AND NORTHPORT MAKES IT AN EASY DESTINATION FOR THE THOUSANDS OF CUSTOMERS THAT VISIT EACH YEAR. THE LARGE SIZE AND ELEGANT DESIGN OF THE TASTING FACILITY, COUPLED WITH QUALITY WINES AND EXCELLENT STAFF KEEPS CUSTOMERS COMING BACK YEAR IN AND YEAR OUT. THE IMPECCABLE REPUTATION AND THE BOOMING MICHIGAN WINE INDUSTRY BRINGS NEW CUSTOMERS IN EVERY DAY.

THE STERKENBURGS DESIRE WAS TO KEEP THE BUSINESS SMALL AND FAMILY OWNED, BUT IT TRULY BEGS FOR EXPANSION. THE FUTURE POSSIBILTIES FOR THIS WINERY ARE ENDLESS. THE FOUNDATION IS IN PLACE, AND THE FUTURE IS BRIGHT.



CURRENT MARKETING STRATEGY & FUTURE GROWTH

ACCORDING TO THE MICHIGAN GRAPE & WINE INDUSTRY COUNCIL, MICHIGAN'S WINE, GRAPES AND JUICE PRODUCTS AND RELATED INDUSTRIES –

~PRODUCE NEARLY \$790 MILLION OF TOTAL ECONOMIC VALUE TO THE STATE OF MICHIGAN
~PAY MORE THAN \$42 MILLION IN STATE & LOCAL TAXES, AND AN ADDITIONAL \$42 MILLION IN FEDERAL TAXES
~ACCOUNT FOR MORE THAN 5,000 JOBS ACROSS THE STATE, FOR A PAYROLL OF MORE THAN \$190 MILLION

IN A STATE WITH A SUFFERING ECONOMY, THESE FACTS ARE ENCOURAGING. THE WINE INDUSTRY CONTINUES TO GROW AND CONTRIBUTE SUBSTANTIALLY TO THE STATE'S BOTTOM LINE.

GILL'S PIER MARKETING STRATEGY FROM THE BEGINNING HAS BEEN TO BUILD A STRONG BRAND THAT DOES NOT COMPROMISE ON QUALITY. THEY HAVE MADE THE DECISION ON OCCASION TO DROP UNDER-RIPED FRUIT TO THE GROUND SO IT DOES NOT AFFECT THE QUALITY STANDARDS.

THEY SOUGHT OUT AND HIRED ONE OF THE TOP WINE MAKERS IN THE STATE OF MICHIGAN. BRYAN ULBRICH HAS WON BETWEEN 1-4 "BEST IN CLASS" AWARDS FOR HIS WINES AT THE MICHIGAN WINE AND SPIRITS COMPETITION FOR THE PAST 11 YEARS STRAIGHT, AN ACHIEVEMENT NO OTHER WINE MAKER CAN CLAIM IN MICHIGAN. GILL'S PIER HAS RECEIVED "BEST IN CLASS" HONORS FOR 3 OF THE PAST 7 YEARS (AN ACCOMPLISHMENT SOME WINERIES NEVER HAVE RECEIVED). THEY HAVE ALSO WON GOLD MEDALS IN NATIONAL COMPETITIONS AND IN 2010 OUR RIESLING TOOK A DOUBLE GOLD IN THE INTERNATIONAL EASTERN WINE COMPETITION. IN TOTAL WE HAVE EARNED 3 BEST OF CLASS TROPHIES, 2 DOUBLE GOLD MEDALS, 12 GOLD MEDALS, 27 SILVER MEDALS & 19 BRONZE MEDALS.

IN THE 2007 WINE REPORT GUIDE BY TOM STEVENSON, AUTHOR OF THE NEW SOOTHEBY'S WINE ENCYCLOPEDIA, GILL'S PIER WINERY WAS RATED IN THE TOP TEN "NEW UP AND COMING PRODUCERS" IN THE ATLANTIC NORTHEAST. THEY ATTRIBUTE THESE AWARDS AND ACCOLADES TO A WINNING COMBINATION OF THE QUALITY FRUIT, THE FINESSE AND SAVVY OF THEIR WINE MAKER.

THEIR CUSTOMERS COME FROM ALL OVER THE WORLD. THE MAJORITY COME FROM MICHIGAN, ILLINOIS, OHIO AND THE MIDWEST, BUT THEY HAVE VISITORS FROM CHINA, AFRICA AND AUSTRALIA.

THE WEBSITE IS FULLY UPDATED, OPERATIONAL AND INFORMATIVE. THEY HAVE E-COMMERCE THROUGH WHICH THEY PROCESS INTERNET ORDERS. THEY HAVE AN EXTENSIVE DATABASE OF CUSTOMERS AND GENERATE QUARTERLY NEWSLETTERS. THEY ALSO HAVE AN ACTIVE FACEBOOK PAGE FOR CUSTOMERS TO KEEP TRACK OF OUR ACTIVITY AND SEE PHOTOS AND INTERACT WITH THEM.

THEY STRONGLY RELY ON WORD OF MOUTH, WHICH IS WHY THEIR STAFF IS EXCEPTIONALLY TRAINED, AND THEIR TASTING ROOM IS KEPT CLEAN AND ORGANIZED AND GROUNDS TRIMMED. THE PERENNIAL GARDENS AND POND INVITE GUESTS TO SPEND TIME RELAXING WITH THEM.

THEY ALSO MARKET THEIR WINES THROUGH BROCHURES IN VISITORS CENTERS AND LOCAL BUSINESSES. THEY HAVE STRONG RELATIONSHIPS WITH HOTELS WHO GIVE THEIR GUESTS "COURTESY TASTING CARDS" FROM THE WINERY AND STOCK THE GUEST ROOMS WITH THEIR LOGO GLASSWEAR.

THEY ARE MEMBERS OF THE LEELANAU PENINSULA VINTNERS ASSOCIATION, THE LEELANAU CHAMBER OF COMMERCE AND THE LELAND BUSINESS ASSOCIATION. THEY ARE ALSO ACTIVE PARTICIPANTS IN THE MICHIGAN GRAPE & WINE INDUSTRY COUNCIL. CURRENTLY THEY SIT ON THE BOARD OF WINE MICHIGAN AS THE LEELANAU COUNTY REPRESENTATIVE.

GILL'S PIER PARTICIPATES IN MOST OF THE LOCAL WINE FESTIVALS, PROVIDES WINE FOR FUND RAISERS, WINE DINNERS AND MANY DIFFERENT TYPES OF WINE EVENTS BOTH LOCALLY AND AROUND THE STATE. THEY ALSO HAVE THEIR OWN INTERNAL EVENTS AND PRIVATE TASTINGS.

GROWTH POTENTIAL & THE BRIGHT FUTURE:

BECAUSE GILLS PIER HAS BEEN A FAMILY OPERATION AND THE OWNERS WANTED TO KEEP THE BUSINESS SMALL, THE CURRENT CASE PRODUCTION IS 2,000 CASES PER YEAR. TO TAKE THE WINERY TO THE NEXT LEVEL, A JUMP IN CASE PRODUCTION TO 5-8 THOUSAND CASES WOULD BE AN EASILY ATTAINABLE GOAL. THERE ARE SEVERAL OPTIONS FOR CUSTOM CRUSH IN THE AREA AND THE COMPETITION FOR CUSTOM CRUSH CLIENTS IS HEALTHY. IN OTHER WORDS, THERE ARE A LOT OF WINE MAKERS /WINERIES IN THE AREA WHO ARE LOOKING TO MAKE MORE WINE!

THE PROPERTY IS A TOTAL OF 52 ACRES. THE VINEYARD PROPERTY HAS 4 ACRES OF MATURE VINES AND ANOTHER 4 ACRES THAT IS PLOWED & PRIMED AND COVER CROPPED – READY FOR PLANTING. THERE IS ADDITIONAL ACREAGE THAT COULD BE USED FOR MORE PLANTING, OUTBUILDINGS OR PARKING.

THE EMPTY POLE BARN ADJACENT TO THE TASTING ROOM IS CURRENTLY USED FOR FARM EQUIPMENT STORAGE, BUT COULD BE IMPROVED TO HOUSE A PROCESSING FACILITY OR BANQUET HALL OR RESTAURANT.

