

June 19, 2006

John Backer  
August Ridge Vineyards  
P. O. Box 451  
Creston, CA 93432

Subject: Access and Sight Distance Evaluation and Trip Generation Analysis for  
August Ridge Winery, Creston, California – Highway 41

Dear Mr. Backer:

Orosz Engineering Group, Inc (OEG) is pleased to provide you with this letter report evaluating the potential access and sight distance analysis for the proposed project. We have also estimated the trip generation for the project. The proposed winery is located near Creston, California, northerly of Highway 41 in San Luis Obispo County. We have visited the project site and reviewed the actual field conditions.

#### Highway 41 Operating Conditions (PM 27.52)

The main access road to the project site is Highway 41. In the vicinity of the project, the roadway geometry consists of two travel lanes, one in each direction with graded shoulders. The project is located between Cripple Creek Road and Highway 229, in San Luis Obispo County. Based on the most recent available traffic count data, the section of Highway 41 adjacent to the project site carries approximately 3,100 Average Daily Traffic or ADT (4700 ADT during the peak month) and 350 vehicles during the peak hour. These traffic volume levels represent level of service A/B, a very good level of service with no congestion.

#### Proposed Project

The proposed project consists of the conversion of a portion of an existing agricultural structure to a small tasting room and wine production facility on an existing 32 acre property near Creston, California. The site currently functions as a vineyard and rural residential property. One driveway provides access to the residence. The ultimate annual case production for the vineyard is 3,000 cases per year. The tasting room size is approximately 110 square feet, with the wine production facility of 1,640 square feet totaling approximately 1,750 square feet.

#### Trip Generation

Trip generation estimates for new projects are generally found by application of nationwide average trip rates documented by the Institute of Transportation Engineers (ITE). In the case of wineries, the ITE reference does not provide such guidance. OEG has used winery trip generation factors developed from actual field observations at existing wineries in the Santa Ynez Valley. For this project, application of the various project characteristics yielded the trip generation estimates shown in Table 1.

Mr. John Backer  
June 19, 2006  
Page 2

Based on these trip factors, the proposed project is expected to generate a total of 6 weekday average daily trips with 1 PM Peak Hour trips. On a busy summer weekend day, the proposed project is expected to generate a total of 29 average daily trips with 8 peak hour trips. Based on this volume of traffic generated, the amount of project traffic is significantly less than the daily fluctuation of traffic on Highway 41 and will not impact the operation of the highway.

#### Site Access

The existing site access was evaluated for adequacy for the proposed project uses. The width and general design of the access was found to be adequate for the expected trip generation for the project. However, the existing driveway access does not provide adequate stopping sight distance looking to the east from the existing driveway. The sight distance looking to the west from the existing driveway meets the minimum stopping sight distance criteria provided by Caltrans. However, the existing use (residential) of the driveway was approved by Caltrans in 2001. This access can remain open for residential use of the property. However for the winery's primary access, a new access point is needed.

Once this determination was made, a suitable driveway access location that would meet the minimum stopping sight distance standards set by Caltrans was researched. Based on the existing highway topography, a suitable driveway location was found approximately 430 feet to the east of the existing driveway. The location of the new site access is graphically depicted on Exhibit 1 with the stopping sight distance graphically depicted below the plan view of this section of Highway 41. The new driveway location will meet and exceeds the guidelines described by Caltrans for private driveway connections to State Highways for stopping sight distance. The driveway design will need to be constructed to Caltrans standards and would require an encroachment permit from the State to construct the new driveway.

Based on the expected project traffic volumes, the Highway 41 traffic volumes and the Caltrans report "Guidelines for Reconstruction of Intersections" (left turn lane warrants pages 51-55); a left turn lane into the project is not warranted. Graded shoulders (a minimum of 4 feet wide) along the project side of the highway within 150 feet of both sides of the new driveway should be constructed when the driveway improvements are made.

In summary, the winery project is not expected to generate a significant amount of traffic during a weekday peak hour or on a weekend. The existing site driveway would be adequate for the existing residential use and as an emergency access for the winery. For the main winery access, a new driveway located approximately 430 feet to the east will need to be required to be constructed to provide a driveway location that meets and exceeds the Caltrans sight distance criteria.

Should you have any questions, feel free to contact us. OEG, Inc. thanks you for the opportunity to meet your needs on this exciting project.

Sincerely,

Stephen A. Orosz, P.E.  
Orosz Engineering Group, Inc.

Mr. John Backer  
June 19, 2006  
Page 3

Enclosures