



HEART OF THE DESERT

Offering Memorandum



Turn-key Pistachio Farm, Vineyard, and Retail establishment with three locations in Southern New Mexico. Heart of the Desert Pistachios and Wines is a family owned and operated business that was established in 1974. It is still owned and operated by the founders and their family today. In 2024 they celebrated 50 years strong!

Caprock Farm and Ranch Realty is proud to have the exclusive offering of this productive farm and retail entity. For more information, please contact us at the number below or caprockrealestate@gmail.com.



CAPROCK

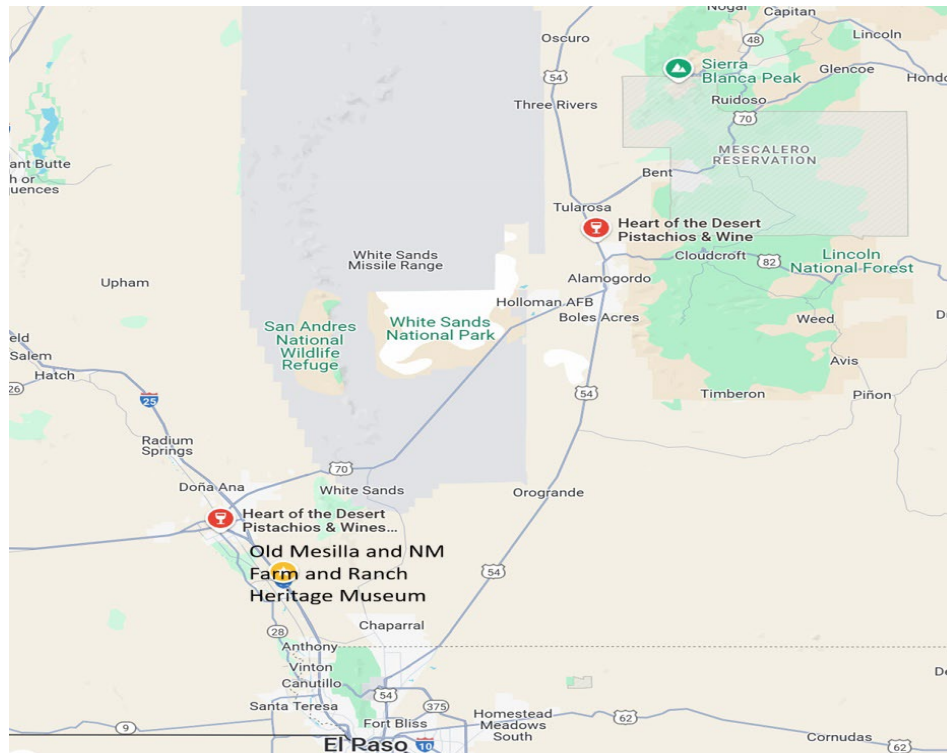
Farm and Ranch Realty, LLC.

Shannon Killingsworth

Broker - Principle

575-644-3518

caprockrealestate@gmail.com



Heart of the Desert, Inc. at Eagle Ranch The farm, vineyard, and main retail store along with an entertainment Patio is located between Alamogordo and Tularosa, New Mexico. This is also the location for processing and packaging of Pistachios, Gourmet Foods, Candies, and Cookies. There are multiple buildings at this site which accommodate the processing facility, packaging, cold storage, warehouse, and business operations/offices.

ADDITIONAL RETAIL OUTLETS:

Heart of the Desert Pistachios and Wines in Historic Old Mesilla on Calle de Mercado. This is a highly sought after market area with exposure to the ingress and egress traffic from I-10 to Mesilla from Las Cruces. Locals and tourists alike frequent this popular shopping and dining area. The current lease runs to May 31, 2027. Assignment of the lease to a buyer is subject to approval by the landlord.

Heart of the Desert Pistachios and Wines at the New Mexico Farm and Ranch Heritage Museum in Las Cruces. This museum is not only known for hosting a high number of visitors for its educational activities but also offers a beautiful event venue which has spectacular views. The current lease runs to May 27, 2026. Assignment of the lease to a buyer is subject to approval by the Board of Directors of the Museum.

Please see the website below for a better illustration of this quality enterprise.

<https://www.heartofthedesert.com/>

The property being offered as an “Asset Sale” of the Real Estate, Business and Farming Equipment, Inventory, and will include all brand names, marketing rights, websites, internet domain, customer lists, supplier lists, leases, and contracts.

REAL ESTATE:

Link to interactive map: <https://id.land/ranching/maps/a997b6a854885839a2080e345e8429f8/share>

Eagle Ranch Pistachios Main Farm, Retail Store and Processing Facilities

The property consists of eight parcels, seven of which are adjacent, located between Alamogordo and Tularosa in Otero County, New Mexico, for a total of 119.66 acres, MOL.

Orchard Information: The pistachio trees were planted at various times over the years; however, all trees are considered to be mature. The trees consist of Kerman variety female and Peters variety male pistachio grafted on Atlantica root stock (12,162 trees), with a small amount of Terebinthus (407 trees) and UCB (296 trees) root stock. There is a ratio of approximately one male tree to ten female trees. There are approximately 80 net planted acres with a total of 12,865 trees. The majority of the trees are planted on 20'x20' plantings, with the original plantings of Terebinthus root stock being on a 20 x 24' spacing.

The property has 87 water righted acres permitted or declared with the New Mexico Office of State Engineer under file numbers T-209, T1321, and T-633. The property utilizes both a drip irrigation system and low-level sprinklers to provide water to the pistachio orchard.



Retail and Processing Buildings and Improvements:

Store/Office - This building started as the main store in 1986. The original store was built in 1986 and approximately 1,500 square feet. Since then, there have been several additions to the building to include additional sale floor areas, shipping, cold storage and office space. The total square footage of the building is approximately 15,639 square feet, including approximately 1,200 square foot in a second story and a 3,040 square foot basement.

Additionally, there is a Tuscan inspired patio overlooking the pistachio groves for events. The Patio consists of a large open area, partially covered with wooden beams supported by stucco pillars with a total of approximately 2,350 square feet. There is also a storage area of approximately 248 square feet used to store patio furniture. The Patio is a beautiful venue for weddings, parties, and similar events.

Followings is a link to the website that more adequately describes this beautiful space:
<https://www.heartofthedesert.com/the-patio-at-heart-of-the-desert/>

Packaging/Popcorn- This structure was built in 2021. The building consists of a metal frame, with a metal exterior, a metal roof, a finished interior, and tile floors. The building is used for popcorn production, and packaging. The building has several packaging areas, a washing area, two employee restrooms, an employee break room, and three mezzanine storage areas. The total square footage is 7,000 square feet.

Salting/Roasting – This building is utilized for pistachio nut processing and some cold storage. The building consists of a total of approximately 5,400 square feet including approximately 660 square feet of cold storage. The roasting area is cooled using electric cooling units.

Processing Building - This insulated building was constructed in 1999 with a metal frame, metal exterior, metal roof, concrete floors, and a finished interior. This building is used for sorting and processing and includes two cold storage rooms, an employee break room, and employee bathrooms. The building is cooled using electric cooling units. The total square footage of the building is approximately 6,000 square feet.

Cold Storage I - The first of two cold storage buildings, this structure is composed of a metal frame, metal exterior, and a concrete floor. The interior is insulated and cooled using electric cooling units. The building was constructed in 2005 and is approximately 1,000 square feet.

Cold Storage II - The second of the two cold storage buildings, this structure was built in 2016. The building has a metal frame, metal exterior, insulated interior, a metal roof, concrete floors, and exterior cooling units.

Warehouse - Built in 2013 this building consists of a metal frame, metal exterior, metal roof, and concrete floor. It is 2,400 square feet. The building is used for dry storage primarily, however, in 2020 a 920 square foot addition was added to include a 400 square foot shop and 520 square feet of cold storage.



Farm Building and Improvements:

Farm Shop - Built in 2006, this is an insulated building with a metal frame, a metal exterior, a metal roof, and concrete floor. The building is used for equipment storage, farm implement storage, welding equipment, and working areas. The building has a mezzanine for storage, a storage room and a partially enclosed work area. The building consists of 6,000 square feet.

Hulling Plant - Built in 1975, this structure consists of a metal pole frame, a concrete floor, a metal roof and a small enclosed framed building. The structure is used to protect the hulling equipment. Located near these structures is a storage barn and equipment shed. The hulling plant improvements appear to be located in a Special Flood Hazard Area.

Residential Building:

The residential building located on the farm of approximately 4,050 square feet of heated living area and a 768 square foot detached garage will be conveyed to the buyer "subject to" a standard life estate retained by the owners. The owners will be responsible for maintenance of the property, insuring the property, and payment of the ad valorem real property taxes attributable to the residence.

Culbertson Farm

The Culbertson Farm is a 10-acre irrigated pistachio orchard located at 101 La Luz Gate Road.

Orchard Information: The pistachio trees located on the southern 4.8 acres were planted in 1983 and grafted in 1985. The northern 4 acres were planted in 1996 and grafted during the same year. The trees consist of Atlantica rootstock. The spacings are 17' x 19'. There is a ratio of one male tree to ten female trees. There are 8.8 net planted acres. The pistachio trees have been planted in a rectangular pattern.

The property has 10 water righted acres declared under the New Mexico Office of State Engineers (NMOSE) file number T-02035. The subject utilizes a drip irrigation system to provide water to the pistachio orchard. Water is provided to the drip irrigation system via a submersible well located near the southern portion of the subject.

Haynes Farm

The Haynes Farm is a 20-acre irrigated pistachio orchard located at 161 and 163 Appler Road La Luz, New Mexico.

Orchard Information: The pistachio trees were planted 35-40 years ago and 25-30 years ago on primarily UCB rootstock. The spacings are 25' x 25 and 20' x 20'. There is a ratio of one male tree to ten female trees. There are 12.75 net planted acres with a total of 1,345 trees. The pistachio trees have been planted in an irregular shape, due to a dry creek bed running along the property's southern boundary.

The subject has 12.753 water righted acres licensed under the New Mexico Office of State Engineers file number T-01128. The total diversion per year is 53.18-acre feet. In addition to the irrigation water rights, there are two domestic wells filed under T-00128-S and T-04176 which supply water to the two dwellings.

The subject utilizes a sprinkler irrigation system to provide water to the pistachio orchard. Water is provided to the irrigation system via a submersible well.

Buildings and Improvements:

Dwelling – This dwelling is 1983 Palm Harbor manufactured home that was permanently affixed to a concrete foundation. It is approximately 1,728 square feet with vinyl exterior with a shingle roof. There are three bedrooms and two bathrooms.

Second Dwelling – This an approximate 1,056 square foot manufactured home with an attached porch. Actual age is unknown. The building appears to have the original siding with a composite shingle roof.

Storage Shed -16' x 24' - Located on the larger parcel near the mobile home this is a wood framed building with a shingle roof, wood siding, and a concrete floor. It is approximately 384 square feet. The building has a standard doorway and a single garage style overhead door.

Shop – Approximately 1,800 square feet metal framed and sided structure with concrete foundation. The shop has three overhead garage style doors and has electrical service.

Schweers Properties – Vineyard

The Vineyard property consists of approximately 130.20 acres of which approximately 17.70 acres have been developed as vineyard with several different varieties.

The vineyard was originally established in 2001 and 2002, however, in 2011 a heavy freeze caused severe damage to the vines. New vines were established in the same year. There are a total of seven different varieties: 5.1 acres of Cabernet Sauvignon, 3.7 acres of Zinfandel, 2.9 acres of Chardonnay, 1.5 acres of Gewurztraminer, 1.5 acres of Riesling, 1.5 acres Syrah, and 1.5 acres of Malvasia. The grapes are processed and bottled by Lescombes Family Vineyards located in Deming, New Mexico.

The property has 45.08 water righted acres permitted under the New Mexico Office of State Engineer file number T-3737. The vines are watered using a drip system with two filters located near the electric submersible irrigation well which lies east of the vineyard.



MACHINERY AND EQUIPMENT:

The machinery and equipment will include all farm equipment, including pistachio and grape harvesting equipment, used on the properties.

In addition, all pistachio processing equipment, equipment for shipping product, and all retail display and shelving used in business will be included.

A complete list of machinery and equipment will be provided to qualified buyers.



INVENTORY:

The sale will include all the inventory, including all finished and unfinished product, packaging and retail inventory. At the date of closing a “true-up” of the inventory value based on the cost basis of the inventory will be taken to provide an accurate valuation to the buyer.

The growing cost of the current year’s crop will be determined by a detailed accounting of the direct inputs in to the crop.

The sale will exclude all cash accounts, accounts receivable or other similar assets. All liabilities incurred or accrued prior to the date of closing shall be paid by the seller or appropriately pro-rated between the parties at closing.

ADDITIONAL INFORMATION:

Complete financial information, appraisal information, leases, and employee information will be provided to a qualified buyer only upon execution of a non-disclosure agreement.

Prospective purchasers are prohibited from inspecting the properties or engaging with the employees unless accompanied by a representative of Caprock Farm and Ranch Realty. We will do our best to ensure that the current owners and managers are available to a buyer during its due diligence process.

This is one of the most unique farming, processing and retail businesses in the Southwest, with a national presence due to on-line marketing. Heart of the Desert and Eagle Ranch Pistachios is set for another 50 years of success. It is simply time for the owners to have a little more time for themselves and their family.

OFFERING PRICE

The real estate, equipment, inventory, and all other assets of the business are being offered for \$8,175,000, to be paid in cash at closing.

This Offering Price is based upon an inventory with a value of \$1,200,000. At closing a “true-up” of the inventory value based on the cost basis of the inventory at that time, will be completed and the final closing price shall be adjusted, either positively or negatively, for the difference in the actual inventory to \$1,200,000.

The seller and broker will assess the qualifications of any party submitting a non-binding letter of intent in accordance with the seller’s objectives. In making this assessment, consideration will be given to a number of factors, including, but not limited to, price, timing of closing, and the perceived ability of the purchaser to complete the transaction.

Tasteful **PRODUCTS**

Eagle Ranch is the home of New Mexico’s first and largest producing pistachio groves with approximately 13,000 trees. Wines were added to the product line in 2002. The seven different varieties of grapes harvested each year make the production of a wide range of wines possible.

Pistachios, Wines, Gourmet Foods, Candies & Cookies!

CONFIDENTIALITY & DISCLAIMER

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Caprock Farm and Ranch Realty and should not be made available to any other person or entity without the written consent of Caprock Farm and Ranch Realty. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Caprock Farm and Ranch Realty has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant’s plans or intentions to continue its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Caprock Farm and Ranch Realty has not verified, and will not verify, any of the information contained herein, nor has Caprock Farm and Ranch Realty conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.