

# High Ranch Nursery, Inc.

November 30, 2009

## Executive Summary and Company History

High Ranch Nursery, Inc., now organized as an “S” Corporation in California; was originally started by John Nitta in 1976. The business location is currently located on 42 acres at 3800 Del Mar Avenue, Loomis, CA 95650. The Chief Financial Officer and President is John Nitta, with over 33 years management and executive experience in the nursery industry. John holds a BS in Plant Science, specializing in Environmental Horticulture from UC Davis. Sarah Nitta, John’s wife, is Vice-President and Secretary of the company, and has 27 years experience in administration and cash management for the business. Together, John and Sarah own 100% of the stock.

From its small beginning, High Ranch Nursery, Inc. (HRN) has steadily and consistently grown:

- In October of 1981, the nursery opened its “doors” for the first time as a full-service wholesale nursery and grower, open to the public, and started advertising regularly in local newspapers, radio, and through various direct marketing means.
- Wholesale sales volume increased to the point that in 1992, the nursery closed its retail business, and concentrated on serving the wholesale trades, primarily the landscape contractors and retail nurseries.
- By 1995, the nursery had grown to 26 acres.
- From 1995 to 1999, the company began to aggressively market independent and chain stores in the immediate Sacramento area, the Grass Valley/Nevada City area, the Mother Lode, and in Reno/Lake Tahoe. The landscape contractor market segment also increased, especially in the local area and in the Reno, NV area.
- Jan 2002 saw the opening up of a new sales office, improved sales display areas, and another 10 acres of nursery.
- From 2000 to 2004, High Ranch Nursery gained a portion of sales to municipalities, including ‘The Sacramento Tree Foundation’ /SMUD.
- In 2004, High Ranch Nursery, Inc. started a growing method called *RPM*®. *RPM*®, or “Root Production Method”, is a method of growing superior plants through several root pruning stages to produce superior well-rooted fast growing products. We are the only west coast licensed grower using this patented process, developed by Forrest Keeling Nursery in Missouri. We have applied this process to many tree species, California natives, and hard-to-grow “in demand” items, and we have been successful in producing a better product faster, allowing us to get to the market sooner. More information about the *RPM*® method can be found at: [www.fknursery.com](http://www.fknursery.com) or at our website at: [www.hrnursery.com](http://www.hrnursery.com).
- 2007 saw HRN secure a contract to grow some 6,000 native plants for Westervelt Restoration, an ecological habitat restoration company. We grew plants for the Doty Ravine Restoration project here in Placer County, a Placer Land Trust project. We installed those plants in November 2008. All plants were grown using the *RPM*® method of growing plants with superior root systems. At this point, a year from planting out, the plants have a 73% success rate, higher than the normal 50% success rate of conventional plants.
- In 2008, High Ranch Nursery, Inc. was proud to be one of three California nurseries chosen in by the UC Davis Arboretum to grow plant material for and help launch a program they call the UC Davis Arboretum All-Stars. The “All Stars” are a list of 100 plants that their staff recommends for Central Valley Gardens, tested for qualities of ‘low maintenance, drought tolerance, and

attractiveness to wildlife'. The program had a "kick-off" in spring of 2009. The program was successful and continues to expand with new plants added for 2010.

2009 also saw HRN become more involved with our local chapters of "The California Native Plant Society" in an effort to grow more of our Sacramento natives. HRN participated in the biannual state CNPS conference in February, 2009, and continues to sell plants at the local chapters' spring and fall plant sales.

## Company Overview

### Management Team

Our management team consists of four managers, one acting as General Manager overseeing Production and Sales, one Sales Manager overseeing sales staff, one overseeing Administration and Personnel, and one overseeing Facilities, or the physical plant of stationary and mobile equipment. The combined experience of these people in the nursery and landscape industry is over 60 years. Additionally, for 2010 we've hired a Sales Consultant, to work with Sales management and the owners to ensure sales goals are met.

❖ **John C. Nitta**, President, Treasurer, and General Manager

Responsibilities: Develops and maintains the vision of the company. Responsible for the overall profitability of the company. Oversees finance and legal aspects. Approves all financial obligations. Directs and coordinates financial programs to provide funding for new or continuing operations in order to increase efficiency and maximize profits. Promotes the volunteerism aspect in community support. Responsible for safety and security programs for operations. Develops and maintains an employee recognition program. Acts as Safety Manager in the Worksite Injury Prevention Program.

❖ **Roger Snell**, Sales Manager

Responsibilities: Responsible for meeting the established sale goals and for obtaining the maximum sales possible within the defined gross margin guidelines. Sets the Marketing Plan for the year. Provides direction to inside and outside sales staff. Sets marketing goal numbers for individual products. Directs exploration of new markets. Manages sales promotion, advertising, and customer relations. Oversees Sales department staff and is responsible for hiring, evaluation, and training. Maintains a system of accountability for outside sales staff.

❖ **Sarah H. Nitta**, Vice-President, Secretary, and Administrative Manager

Responsibilities: Maintains the integrity of all accounting functions, including secure handling of all deposits and customer account maintenance. Administers payroll and the personnel benefit programs. Oversees all operations of accounting as well as the monthly, quarterly, and yearly functions of closing and reconciliation. Responsible for all tax obligations, including payroll taxes, sales taxes, property and income taxes.

❖ **Mark Nitta**, Facilities Manager

Responsibilities: Maintains all equipment, tractors, and vehicles. This involve the purchase of repair and maintenance materials. Implementation of project previously approved by President and General Manager. Supervises all maintenance. Supervises all new construction. Proper disposing of wastes products. Responsible for all truck, driver, and interstate shipping compliance. Act as Safety Inspector in the Worksite Injury Prevention Program.

❖ **John C. Nitta**, Production Manager

Responsibilities: Responsible for the production of nursery products that is timely for the market, meets a high quality standard, and meets numbers as dictated by market demands. Purchases materials for meeting production and profit goals. Controls inventory. Disposes non-saleable inventory. Responsible for controlling irrigation to best suit the needs of production and maintenance of all growing, shipping, and display areas. Responsible for pesticide use, training, and record-keeping. Maintains propagation records and the crop scheduling program.

❖ **Ray Ward**, Sales Consultant

Responsibilities: Ensure sales goals are met. Requires sales staff to be accountable for meeting sales projections. Oversees sales compensation and incentive program. Ensures the company is profitable.

**Staff**

The rest of the staff at HRN work within their respective departments of Sales, Shipping & Handling, Production, Facilities, and Accounting. Staff are hired and terminated as needed by managers. Supervisory staff report directly to the managers. Managers and Supervisors are responsible for the training and evaluation of their staff. For a better understanding of the personnel organization, please see the attached Positional Organization Chart.



I N C O R P O R A T E D

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**Welcome to High Ranch Nursery, Inc.  
Loomis, California**

HRN “statistics”:

- Wholesaler and Growers of nursery stock – native, woody and perennial flowering plants
- over 40 acres of containerized plant material
- from liners to 24 inch boxed trees
- started in 1976
- employs 30 people
- 2 outside sales representatives
- catalog lists over 800 varieties
- deliveries on a daily basis, within a 180 mile radius
- emphasis on trees, crape myrtle, dogwoods, perennials, ornamental grasses, natives, and drought-resistant plants
- 2002: Completion of additional 10 acres including a new sales
- March, 2004: Became licensed RPM Solutions grower: starting with flowering dogwoods, native oaks and shade trees
- Spring 2004: new line of 2 gallon perennial product, new lines of Coreopsis (Blooms of Bressingham®) and Calibrachoa (Proven Winners®)
- Fall, 2008: completed habitat restoration installation of 6,000 plants on twenty acres of conservation land in Placer County. All plants were collected locally and grown for the project.

Propagation Facilities:

- Greenhouse: 5,200 sq. ft. Agra Tech greenhouse with fiberglass sidewalls and double poly roof
- Greenhouse equipment: Rolling benches, Biotherm bench heating, MEE fog system, Floramist nozzles for supplemental irrigation, Fan and pad cooling
- Propagation figures: 85% cuttage and 15% seed propagation; production of ½ million liners per year
- 26,200 sq. ft. of coldframe space
- 5 acres of shadehouse

WELCOME!

*The Staff at High Ranch Nursery, Inc.*

## References

### **Mark Young**

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### **Wayne Lovelace**

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Botanical Name (Common Name)	No. Units	Unit Price	Total (\$)
<i>Carex barbarae</i> (Santa Barbara sedge) TB5	8,700	\$2.00	\$17,400.00
<i>Juncus balticus</i> (Baltic rush) TB5	11,600	\$2.00	\$23,200.00
<i>Leymus triticoides</i> (creeping wild rye) TB5	2,965	\$2.00	\$5,930.00
<i>Scirpus acutus</i> (tule) 1 gallon	2,600	\$5.92	\$15,392.00
<i>Scirpus californicus</i> (tule) 1 gallon	2,600	\$5.92	\$15,392.00
Contingency (approx. 1%)	300	\$5.92	\$1,776.00
<b>Total Lump Sum Price</b>			<b>\$79,090.00</b>

*Prices assuming access to plant propagules.*

*Prices include delivery to jobsite.*

*Prices good through 3-31-2010.*