

VINEYARD LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this the ___ day of _____, 199_, by and between EXAMPLE WINERY, INC., hereinafter referred to as "EX" and _____ VINEYARDS, hereinafter referred to as "THE VINEYARD OWNER", both of whom will hereinafter be referred to as "THE PARTIES."

WHEREAS, VINEYARD OWNER owns a vineyard and EX wishes to lease a portion of such vineyard in order to produce grapes for the purposed of making wine within its Farm Winery.

WHEREAS, IT IS AGREED BY THE PARTIES:

1. VINEYARD LEASE

EX will lease a ___ acre portion of the Vineyard Owner's vineyard in _____ County, Virginia as shown on the attached Appendix A. (the "LEASED VINEYARD"). EX will pay Vineyard Owner a rent on the said real property in the amount of \$ ___ per annum.

2. GRAPE VARIETIES

The varieties of grapes now planed in the Leased Vineyard are identified on attached Appendix A (not shown). The Vineyard Owner certifies that the vines are true to type as indicated.

3. TERM OF LEASE

The term of the lease shall be for a period commencing July 1, 199__ and terminating December 1, 199__.

4. MISCELLANEOUS

This Lease Agreement shall be governed by the laws of the Commonwealth of Virginia. Neither party shall be liable to the other for direct, consequential, incidental or other damages, costs or expenses due to acts or delays for any cause beyond their reasonable control, including, but not limited to, fire, flood, earthquake, windstorm, other acts of God or the elements, embargoes, government orders or restrictions, war or civil disturbances.

5. ARBITRATION

Any disputes arising from the implementation of this agreement shall be subject to binding arbitration. Each party shall nominate an agent who shall then name a mutually acceptable arbitrator who shall decide outstanding issues within thirty days of his designation, which shall be made within thirty days of a declaration of impasse.

VINEYARD OWNER

EXAMPLE WINERY, INC.

DATE: _____

DATE: _____

VINEYARD MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT, made and entered into this ____ day of _____, 1998, by and between EXAMPLE WINERY, INC. hereinafter referred to as EX and _____ d/b/a _____ VINEYARDS, hereinafter referred to as GROWER, both of whom will hereinafter be referred to as "THE PARTIES".

WHEREAS GROWER owns and operates vineyards leased by EX under separate contract, and EX wishes to enter into a MANAGEMENT AGREEMENT for the purpose of producing grapes in the vineyards.

THE PARTIES AGREE:

1. GRAPE CULTIVATION AND MANAGEMENT FEES

Throughout the term of this agreement and renewals thereof, Grower shall continue to cultivate grapes in the Grower's leased vineyards up to the quantities identified in Appendix A of the Management Agreement. If the Grower's leased vineyard produces more than the estimated yield stated in Appendix A (*not shown*), EX will have the right to buy all, or a portion, or none of such additional production under the terms and conditions set forth herein. The grapes are to be transported by EX, at EX's expense, whereas the weight of the grapes will be determined using independently calibrated scale weights. EX will provide bins for shipment.

2. PRICE

The price per ton of fruit is agreed to be \$ _____ FOB _____. (EX personnel will assist in the loading of the bins onto EX's truck with Grower supplied equipment.)

3. MODIFICATIONS TO PRICE

The price per ton will be modified under the following conditions:

- Rot or mold in amounts equal to 5% will result in a price reduction of \$50 per ton. Rot or mold in amounts greater than 5% but less than 10% will result in a price reduction of \$100 per ton. In case of rot or mold in excess of 10%, the grapes are subject to rejection by EX.
- Bird or insect damage in excess of 5% will result in a price reduction of \$50 per ton. In the case of bird or insect damage in excess of 10%, the grapes are subject to rejection by EX.
- Material other than grapes in excess of 5% will result in a price reduction of \$50 per ton. In the case of material other than grapes in excess of 10%, the grapes are subject to rejection by EX.
- Sugar levels below ____ degrees brix will result in a reduction of \$50 per ton for each ½ degree below this level. A brix level below _____ degrees brix will result in the grapes being subject to rejection by EX.
- Any combination of the above conditions resulting in a defective percentage in excess of 15% will cause the grapes to be subject to rejection by EX.

4. GROWER RESPONSIBILITIES DURING GROWING SEASON UNTIL HARVEST

The Grower agrees to use sound viticultural practices throughout the growing season. The Grower shall be responsible for all costs incurred and incidental to the cultivation and harvesting of the grapes prior to EX taking possession of the shipment.

NOTIFICATION OF POTENTIAL HARVEST

As early in the growing season as possible the Grower shall provide EX with an estimate of expected yield from the leased vineyard per variety.

SAMPLING

The parties will regularly communicate on the development of the fruit and the Grower agrees to sample his/her fruit for such harvest parameters as brix, pH, Total Acidity, and Flavor as requested by EX.

EX has the right to send a representative to the leased vineyard to inspect same vineyard and to take samples when deemed desirable or necessary and at a time mutually convenient to both parties.

HARVEST DATES

The decision to harvest will be made jointly by the parties.

FERTILIZATION & SPRAY SCHEDULES

The Grower agrees to supply EX with complete information about fertilization, spray schedules and chemicals used prior to harvest, and if requested, a copy of pesticide applicator certificates. Spray schedules need to be submitted as may be required by EX to comply with various Federal, State and Local laws and regulations.

5. PAYMENT

All payments are net 30 days from date of delivery of grapes.

6. This agreement is non-assignable. It is governed by the laws of the Commonwealth of Virginia. Neither party shall be liable to the other for direct, consequential, incidental or other damages, costs or expenses due to acts or delays for any cause beyond their reasonable control, including, but not limited to, fire, flood, earthquake, windstorm, other acts of God or the elements, embargoes, government orders or restrictions, war or civil disturbances.

7. ARBITRATION

Any disputes arising from the implementation of this agreement shall be subject to binding arbitration. Each party shall nominate an agent who shall then name a mutually acceptable arbitrator who shall decide outstanding issues within thirty days of his designation, which shall be made within thirty days of a declaration of impasse.

THE GROWER

EXAMPLE WINERY, INC.

President

DATE: _____

DATE: _____