

Grape Sales Contract

(please note this is not a legal document and is meant only as guide to initiate discussion between growers and winemakers on the type of legal document required in a grape sales transaction)

This contract made as of the ____ day or _____, _____

BETWEEN

(The Company)

AND

(The Grower)

TERM

1.1 This contract starts on _____ and continues until _____

1.2

PURCHASE AND SALE OF GRAPES

2.1 Schedule "A" outlines the grapes the Grower will sell and the company will purchase

PURCHASE PRICE

3.1 Schedule "B" outlines the purchase price the Company will pay for each of the varieties outlined in Schedule "A" for the harvest years ____ and ____.

3.2 The purchase price will reflect the tonnage of the grapes. This weight will be determined by weighing the grapes at _____ by (Grower or Company). The weight measurements will be binding. Both the Grower and Company have the right to have a representative present at the time of weighing but are not obliged to do so. Should costs be incurred in the weighing of the grapes, those costs will be borne by _____.

3.3 The title to the grapes passes to the Company at the time _____. Any transportation costs incurred from that point on are the responsibility of the Company.

3.4 Payment in full will be made by the Company to the Grower, on or before _____ of each harvest year.

3.5 All grape prices do not include any taxes or tonnage fees that may be applicable to this transaction. All such taxes and tonnage fees are the responsibility of the Company.

4 GROWING AND HARVESTING PRACTICES.

4.1 The Grower will grow and harvest the grapes listed on Schedule "A" following recognized regional viticultural practices for wine grapes or as specified in Schedule "C"

4.2 A Company representative may enter the Grower's vineyard at any reasonable time to examine the vines, cover crop, soil, netting and fences. At the Company's request, the Grower will make available to the Company, all information relating to any fertilizers, sprays, soil amendments, or other substance used in growing the grapes.

4.3 The Company may take a representative sample of grapes for determining Brix, T.A, and pH at any reasonable time from _____ till harvest. The Grower may be present at both the gathering of the sample and the lab testing of the sample.

4.4 The Company will determine the harvest date for each of the varieties as outlined in Schedule "A".

4.5 Notwithstanding section 4.4, the Grower may schedule a different harvest date so that, with reason, the Grower may:

1. Try to achieve the best grapes specifications possible
2. Avoid damage to the grapes due to pending freezing, predicted rains of significance, animal or disease damage due to unusual seasonal pressures.

Should the Grower schedule a harvest date, the Company will give its best efforts to allow the Grower to proceed with the harvest on the date specified by the Grower.

4.6 All grapes harvested will be made available to the Company on the same date they were picked.

4.7 The Company may request, in writing, that the Grower harvest the grapes prior to achieving maximum specifications. In such a case, the Company agrees to pay the Grower the price for 100% quality as outlined in Schedule "B"

4.8 Containers agreeable to both the Grower and Company shall be supplied by _____ within _____ of the harvest date as set under section 4.4 or 4.5.

4.9 It is the responsibility of _____ to power wash the containers prior to harvest. The Company is responsible for power washing the bins after delivery of the grapes.

4.10 (Return of unused bins to either Grower or Company) All unused containers will be returned to _____ by _____.

4.11 A container of grapes may be rejected if:

1. the volume of material other than grapes exceeds 2% of the total weight or volume of that particular container.
2. Analysis shows the fruit has more than 0.5 grams per litre of Volatile Acidity expressed as Acetic acid. This measurement must be determined by recognized lab procedures. In such a case the Company must inform the Grower within 6 hours of receipt of the fruit, that it may be rejected.
3. Diseased, damaged, moldy or infested fruit exceeds 5% of the weight of that container. This assessment must be done from a representative sample in the presence of the Grower.

4.12 All sprays and fertilizers used by the Grower on the grapes in Schedule "A" will be used or applied following all applicable rules, laws or other regulations for the region where they are grown. The Grower will keep records of all pertinent information regarding the application of any fertilizer, fungicide, herbicide or other plant or soil amendment used in the production of the grapes.

5 DEFAULT

5.1 Default occurs should either party fail in its performance of any of the contractual obligations. The injured party must give notice in writing to the other party, specifying the defaults. Should the default remain unremedied for 30 days after such notice is given, the other party may exercise any right or remedy available to it, and may terminate this contract, without prejudice, by notice to the other party to that effect, effective on the date specified in such notice, which date shall be not earlier than the date on which such notice is given.

5.2 All disputes arising out of or in connection with this agreement, may be referred by either party to, and finally resolved by, arbitration under the Rules of the British Columbia International Commercial Arbitration Centre. The appointing authority shall be the British Columbia International Commercial Arbitration Centre. The case shall be administered by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules". The place of arbitration shall be Victoria, British Columbia, Canada.

6 FORCE MAJEURE

6.1 If a party is delayed in the performance of its obligations under this agreement as a result of a strike, lockout, labour unrest, inability to obtain or delay in delivery of labour or materials, or other cause or event beyond that party's reasonable control, then the dates for performance of those obligations will be extended for a period equivalent to such

period or periods of delay. The party claiming the benefit of this provision shall give the other party written notice within one day of such delay.

7.1 Unless otherwise provided in this agreement, any money due by a party to another will be payable on receipt and will bear interest at the Prime Rate + 2% per annum. "Prime Rate" means the rate of interest declared from time to time by Royal Bank of Canada to the Bank of Canada, as its reference rate of interest for Canadian dollar loans made in Canada to customers of varying degrees of creditworthiness.

8 ASSIGNMENT

8.1 If the Grower sells the vineyard, they may assign the contract to the purchaser provided the purchaser covenants to assume and perform all the obligations of the Grower as outlined in this contract. Once assumed, the Grower is released from the obligations of this contract. Other than as specified, the Grower may not assign this contract without the prior written consent of the Company.

8.2 The Company may assign this contract any person or company, provided the purchaser covenants to assume and perform all the obligations of the Company as outlined in this contract. Once assumed, the Company is released from the obligations of this contract. Other than as specified, the Company may not assign this contract without the prior written consent of the Grower.