



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes – FINAL
July 26, 2022**

The Lodi Winegrape Commission met on Tuesday, July 26, 2022.

1. The meeting was called to order by Chairman Aaron Shinn at 2:04PM.
2. Roll was called

<u>Commissioner</u>	<u>Present</u>	<u>Alternate Commissioner</u>	<u>Present</u>
Phil Abba	X	Scott Armolea	X
Jason Eells	X	Joe Laranaga	X
Curt Gillespie	X	Brandon Sywassink	X
Joan Kautz	X	Colton Machado	X
Matt Lauchland	X	Todd Maley	X
Tom Murphy	EX	Dirk Heuvel	X
Diego Olagaray	X	Mitch Spaletta	
Aaron Shinn	X	Garret Schaefer	X
Jacylyn Stokes	EX	Art Prudhel	X

Also, in attendance was Amy Blagg and Mirek Wilczek (CDFA Marketing Branch). Staff present Stuart Spencer, Jenny Heitman, Katie Crippen, Paul Marsh, Kim Cassetta, and Gabby Goode. A quorum was established.

3. On a motion by Prudhel/Kautz the minutes of the June 23, 2022, meeting were approved (Exhibit A).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – The board reviewed the budget summary through fiscal year end of June 2022 (Exhibit B). The board discussed the appointment of Croce, Sanguinetti & Vander Veen to conduct the Commission's fiscal and compliance audits for fiscal year 2021-22. Motion to appoint Croce, Sanguinetti & Vander Veen to conduct the Commission's fiscal and compliance audits for FY 2021-22. Olagaray/Abba – Carried.
6. **Report of the Nominating Committee** – Bruce Fry and Brandon Sywassink comprised the nominating committee and reported that they had talked to all Commissioners and have the following recommendations: Chairman, Aaron Shinn; Vice Chairman, Diego Olagaray; Treasurer Tom Murphy; Secretary, Curt Gillespie. The bylaws limit board members to serve on one committee, except the officers may serve on an additional committee besides the

Executive Committee. After some discussion, Mirek Wilczek with CDFA administered the election for the Chairperson. Motion to accept the recommendation of the nominating committee, close the discussion and vote for Aaron Shinn as Chairperson. Eells/Gillespie – Carried. The election was then turned over to the Chair Aaron Shinn. Motion to accept the recommendation of the nominating committee for Diego Olagaray to serve as Vice Chair, Tom Murphy to serve as Treasurer, and Curt Gillespie to serve as Secretary. Kautz/Prudhel – Carried.

7. **Chairman's Report** – Chairman Shinn reported on his recent activities and informed Art Prudhel, as a new member of the board, that he needed to let him know which committee he would like to serve on.
8. **Consideration of Agreements between LWC and CWF** - Spencer shared the draft agreement for Promotional Services for 2022-23 (Exhibit C). Spencer explained that the agreement formalizes the relationship between LWC and CWF concerning the Lodi Wine & Visitor Center. Motion to accept the agreement as presented. Olagaray/Abba – Carried.
9. **Executive Director's Report** - ED Spencer updated the board on recent Commission activities (Exhibit D). He discussed plans to review and refresh the Commission Strategic Plan that was completed in the fall of 2018. Following the Executive Director's report, staff provided the board with an orientation and overview of the Commission and all its marketing activities including the Wine Visitor Center. At a future meeting staff will provide an overview of the grower research, education, outreach and Lodi Rules activities.

10. **Committee Reports:**

Executive Committee – no report

Grower Marketing Committee – no report

Lodi Rules – no report

Research, Education, Communication – no report

Winery Marketing Committee – no report

11. **Other Organization Reports:**

CWF – no report

SJCFB – no report

LDGGA – Amy Blagg updated the Commission board on policy matters that concern Lodi winegrowers, and highlighted recent LDGGA activities including the Kris Gutierrez blood drive and harvest safety workshops.

Lodi Grape Festival – no report

CAWG – no report

12. **Public Comment** – No comment

13. **Agenda Items for Future Meetings** – None

14. The next meeting was scheduled for November 2, 2022, at 2:00PM.

15. The meeting adjourned at 3:45 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes – FINAL
June 23, 2022**

The Lodi Winegrape Commission met on Thursday, June 23, 2022.

1. The meeting was called to order by Chairman Aaron Shinn at 2:04PM.
2. Roll was called

<u>Commissioner</u>	<u>Present</u>	<u>Alternate Commissioner</u>	<u>Present</u>
Phil Abba	X	Dirk Heuvel	EX
Jason Eells	X	Joe Laranaga	
Bruce Fry	X	Joan Kautz	EX
Curt Gillespie	X	Jacylyn Stokes	X
Matt Lauchland	EX	Todd Maley	EX
Tom Murphy	X	Colton Machado	EX
Diego Olagaray	X	Mitch Spaletta	
Aaron Shinn	X	Garret Schaefer	EX
Brandon Sywassink	X	Scott Armolea	EX

Also, in attendance was Art Prudhel, Larry Whitted and Mirek Wilczek (CDFA Marketing Branch). Staff present Stuart Spencer, Stephanie Bolton and Jenny Heitman. A quorum was established.

3. On a motion by Sywassink/Fry the minutes of the April 5, 2022, meeting were approved (Exhibit A).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – Treasurer Brandon Sywassink noted that the financial report will take place during the 2022-23 budget discussion.
6. **Chairman’s Report** –
 - Chairman Shinn reported on his recent activities as Chair including his April trip to NY to represent the Commission. He also discussed a meeting he attended recently to discuss the proposed monument project that will sit along I-5 between Hwy 12 and Turner Road.
 - Chair Shinn asked Stuart Spencer to present the board election results. Elected as Commissioners were Phil Abba, Curt Gillespie, Joan Kautz, Tom Murphy, and Jacylyn Stokes. Elected as alternates were Scott Armolea, Brandon Sywassink, Colton Machado,

Dirk Heuvel, and Art Prudhel. Spencer distributed the updated board list for 2022-23 (Exhibit B).

- Chair Shinn appointed Bruce Fry and Brandon Sywassink to serve as the nominating committee. They will present recommendations at the July meeting for board officers.
7. **Executive Director's Report** - ED Spencer updated the board on recent Commission activities (Exhibit C). He discussed the ongoing efforts at exploring the establishment of a Winery BID to fund winery marketing activities. Provided an update on the Viticulture Farm Advisor search and additional MAP funding for export related promotions.
 8. **Consideration of FY 2022-23 Budget** - ED Spencer presented the proposed FY 2022-23 Budget (Exhibit D). The Executive Committee and committee chairs met on June 16, 2022, to assemble the budget. Each committee submitted a budget request, and the group developed an income projection and aligned expenses with revenue. ED Spencer led the board through each committee's budget and discussed what was being proposed for the coming year. Motion to accept the recommended budget with projected income of \$2,530,971.28 and projected expenses of \$2,473,482.93 for a fiscal year budget surplus of \$57,488.35. Sywassink/Fry – Motion Carried.
 9. **Assessment Rate** – The Executive Committee is also recommending that the assessment rate stay the same for 2022-23 FY at .45%. Motion to set the assessment rate at .45% for the fiscal year 2021-22. Fry/Olagaray– Carried.

10. **Committee Reports:**

Executive Committee – The committee met on June 16 to develop the budget and on June 21 to conduct the Executive Director review.

Grower Marketing Committee – no report

Lodi Rules – Committee Chair Phil Abba noted that the committee was moving forward with the 4th edition of the LODI RULES and would be seeking approval from Protected Harvest for use next season.

Research, Education, Communication – Committee Chair Larry Whitted updated the board on recent REC events and activities.

Winery Marketing Committee – no report

11. **Other Organization Reports:**

CWEF – no report

SJCFB – no report

LDGGA – no report

Lodi Grape Festival – no report

CAWG – no report

12. The board went into closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a).
13. The board returned from closed session. Chair Shinn noted that the board was happy with the direction of the Commission and the Executive Director. A 10% raise was unanimously approved.
14. **Public Comment** – No comment
15. **Agenda Items for Future Meetings** – None
16. The next meeting was scheduled for July 26 at 2:00PM.
17. The meeting adjourned at 4:15 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary

LODI WINEGRAPE COMMISSION
2021-2022 BUDGET
AS OF June 30, 2022

<u>ACCOUNT CODE</u>	<u>REVENUES</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>REVENUE TO DATE</u>	<u>%</u>
4120	Assessments	\$1,716,269.00	\$1,862,899.97	108.54%
4160	Winery Contributions	\$85,000.00	\$77,625.00	91.32%
4162	Event Revenue	\$100,000.00	\$203,588.91	203.59%
4122	LODI RULES Licensing Fees	\$58,000.00	\$63,077.06	108.75%
4131	Grant Income	\$54,000.00	\$66,011.95	122.24%
4130	Interest	\$1,000.00	\$401.20	40.12%
4150	Other Income (Sponsorship)	\$10,000.00	\$13,823.18	138.23%
	Subtotal Commission Revenue	\$2,024,269.00	\$2,287,427.27	113.00%
	Revenue (CWEF-Visitor Center)			
4145	Administrative Agreement	\$207,395.88	\$209,690.05	101.11%
4148	Rent	\$49,007.74	\$49,007.75	100.00%
	Subtotal CWEF Revenue	\$256,403.62	\$258,697.80	100.89%
	Total Revenue	\$2,280,672.62	\$2,546,125.07	111.64%
<u>ACCOUNT CODE</u>	<u>EXPENDITURES (LWC)</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>%</u>
	Grower Marketing	\$768,350.00	\$627,768.95	81.70%
	Winery Marketing	\$74,750.00	\$137,868.15	184.44%
	Research, Education & Communication	\$155,050.00	\$146,927.76	94.76%
	LODI RULES	\$50,900.00	\$33,151.30	65.13%
	Admin & Personnel	\$921,828.00	\$841,149.67	91.25%
	Visitor Center Sponsorship	\$75,000.00	\$75,000.00	100.00%
	Subtotal Commission Expenditures	\$2,045,878.00	\$1,861,865.83	91.01%
	CWEF Expenditures			
	Visitor Center	\$256,403.62	\$258,697.80	100.89%
	Subtotal CWEF Expenditures	\$256,403.62	\$258,697.80	100.89%
	Total Expenditures	\$2,302,281.62	\$2,120,563.63	92.11%
	Excess of Revenues Over (Under) Expenditures	-\$21,609.00	\$425,561.44	

LODI WINEGRAPE COMMISSION
GROWER MARKETING
2021-2022 BUDGET
AS OF JUNE 30, 2022

DEPARTMENT: GROWER MARKETING

<u>ACCOUNT CODE</u>	<u>CATEGORIES</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>%</u>
	<u>Industry, Trade & Consumer Promotion</u>			
6100	Graphic Design (Advertising Design)	\$75,000.00	\$81,531.25	108.71%
6110	Advertising (Paid Media)	\$350,000.00	\$164,989.00	47.14%
6120	Printing & Materials	\$30,000.00	\$55,700.23	185.67%
	Industry, Trade & Consumer Promotion Expenditures	\$455,000.00	\$302,220.48	66.42%
	<u>Promotional Events & Activities</u>			
6023.2	Export Promotion	\$32,500.00	\$27,500.00	84.62%
6140	Promotional Sponsorship	\$11,000.00	\$11,000.00	100.00%
6150	Community Sponsorship	\$6,000.00	\$5,500.00	91.67%
6160	Trade Shows	\$1,600.00	\$2,137.58	133.60%
	Promotional Events & Activities Expenditures	\$51,100.00	\$46,137.58	90.29%
	<u>Public Relations</u>			
6023	Consulting Services (Agency)	\$78,000.00	\$78,000.00	100.00%
6098	Supplies	\$3,000.00	\$4,666.63	155.55%
6130	Public Relations Activities	\$75,000.00	\$81,610.54	108.81%
6132	Lodi Wine Blog	\$72,000.00	\$78,000.00	108.33%
6170	Wine Purchases	\$1,500.00	\$1,816.61	121.11%
	Public Relations Expenditures	\$229,500.00	\$244,093.78	106.36%
	<u>Activities Support</u>			
6033	Office Supplies	\$1,000.00	\$50.49	5.05%
6035	Postage/Shipping	\$15,000.00	\$10,542.09	70.28%
6060	Website - Internet	\$12,000.00	\$11,203.75	93.36%
6076 & 6080	Travel	\$7,500.00	\$13,110.38	174.81%
6221	LWC Meeting Expenses	\$750.00	\$410.40	54.72%
	Activities Support Expenditures	\$36,250.00	\$35,317.11	97.43%
	Total Expenditures	\$771,850.00	\$627,768.95	81.33%

LODI WINEGRAPE COMMISSION
WINERY MARKETING
2021-2022 BUDGET
AS OF JUNE 30, 2022

DEPARTMENT: WINERY MARKETING

<u>ACCOUNT CODE</u>	<u>CATEGORIES</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>%</u>
	<u>Consumer Promotion</u>			
6070.3	Maintenance Directional Signs	\$2,500.00		0.00%
6100 & 6120	Wine Trail Maps	\$10,000.00	\$13,619.99	136.20%
6100	Graphic Design (Advertising Design)	\$15,000.00	\$21,657.50	144.38%
6110	Advertising	\$13,000.00	\$12,800.00	98.46%
6120	Printing & Materials	\$7,500.00	\$8,410.41	112.14%
6130	Public Relations	\$1,000.00	\$6,856.14	685.61%
	Consumer Promotion Expenditures	\$49,000.00	\$63,344.04	129.27%
	<u>Events (Roadshows)</u>			
6140	Promotional Sponsorship	\$0.00		#DIV/0!
6070.2 & 6098	Supplies & Maintenance	\$5,000.00	\$26,875.42	537.51%
6076 & 6080	Travel	\$500.00	\$251.85	50.37%
	Events Expenditures	\$5,500.00	\$27,127.27	493.22%
	<u>Activities Support</u>			
6023	Consulting Services (Strategic Plan)	\$15,000.00	\$33,801.02	225.34%
6221	Meeting Expenses	\$2,500.00	\$2,436.22	97.45%
6033	Office Supplies	\$500.00		0.00%
6090	Merchant/Bank Fees	\$500.00	\$6.44	1.29%
6035	Postage	\$1,500.00	\$3,654.16	243.61%
6060	Website - Internet	\$250.00	\$7,499.00	2999.60%
	Activities Support Expenditures	\$20,250.00	\$47,396.84	234.06%
	Total Expenditures	\$74,750.00	\$137,868.15	184.44%

LODI WINEGRAPE COMMISSION
RESEARCH EDUCATION & COMMUNICAT
2021-2022 BUDGET
AS OF JUNE 30, 2022

DEPARTMENT: RESEARCH, EDUCATION & COMMUNICATION

<u>ACCOUNT CODE</u>	<u>CATEGORIES</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>%</u>
	<u>Outreach & Education</u>			
6033 & 6098	Supplies	\$2,000.00	\$2,185.09	109.25%
6070.2	Maintenance - Cleaning	\$400.00	\$191.87	47.97%
6076 & 6080	Travel	\$10,000.00	\$6,063.27	60.63%
6130	Public Relations	\$1,000.00	\$1,213.67	121.37%
6160	Trade Show & Conference Fees	\$2,200.00	\$1,272.29	57.83%
6200 & 6270	Staff Education & Reference Materials	\$700.00	\$668.21	95.46%
6170 & 6220	Grower Meetings & Socials	\$16,000.00	\$18,134.92	113.34%
6221	LWC Meeting Expenses	\$1,200.00	\$1,120.91	93.41%
6250	Membership/Dues	\$3,000.00	\$1,969.00	65.63%
6255	Subscriptions	\$1,650.00	\$2,208.74	133.86%
6266	Weather Services	\$30,000.00	\$28,918.00	96.39%
6310	Retired San Joaquin Farm Advisor	\$2,000.00		0.00%
	Outreach & Education Expenditures	\$70,150.00	\$63,945.97	91.16%
	<u>Communications</u>			
6035	Postage	\$10,000.00	\$3,437.88	34.38%
6060	Website/Internet	\$5,000.00	\$6,657.74	133.15%
6070.5	Demo Vineyard	\$10,000.00		0.00%
6100	Graphic Design	\$8,000.00	\$2,572.50	32.16%
6120	Printing & Materials	\$2,500.00	\$6,584.81	263.39%
6210	Publications	\$30,000.00	\$26,673.99	88.91%
	Communications Expenditures	\$65,500.00	\$45,926.92	70.12%
	<u>Research</u>			
6320	AVF Contributions	\$10,000.00	\$10,000.00	100.00%
6140	NGRA Contributions	\$10,000.00	\$10,000.00	100.00%
6330	Winegrape Research	\$15,000.00	\$17,054.87	113.70%
	Research Expenditures	\$35,000.00	\$37,054.87	105.87%
	Total REC Expenditures	\$170,650.00	\$146,927.76	86.10%

RESEARCH, EDUCATION, COMMUNICATION

LODI WINEGRAPE COMMISSION
LODI RULES
2021-2022 BUDGET
AS OF JUNE 30, 2022

DEPARTMENT: LODI RULES

<u>ACCOUNT CODE</u>	<u>CATEGORIES</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>%</u>
	<u>Communications, Marketing & Promotions</u>			
6060	Website/Internet	\$1,000.00	\$40.34	4.03%
6100	Graphic Design	\$3,000.00	\$190.00	6.33%
6120	Printing & Materials	\$7,000.00	\$6,115.87	87.37%
6130 & 6170	Public Relations	\$8,000.00	\$8,732.65	109.16%
6160	Trade Shows/Conferences	\$500.00		0.00%
6210	Publications (Newsletters & Videos)	\$8,000.00	\$5,049.68	63.12%
6220	Grower Meetings & Seminars	\$9,000.00	\$5,434.01	60.38%
	Communications, Marketing & Promotions Expenditures	<u>\$36,500.00</u>	<u>\$25,562.55</u>	<u>70.03%</u>
	<u>Program Improvements</u>			
6023	Consulting Services	\$6,000.00	\$2,932.00	48.87%
	PRT License Fees	\$1,000.00		0.00%
6200	Reference Materials	\$200.00	\$156.75	78.38%
	Program Improvements Expenditures	<u>\$7,200.00</u>	<u>\$3,088.75</u>	<u>42.90%</u>
	<u>Activities Support</u>			
6022	Legal Fees	\$1,200.00		0.00%
6033 & 6098	Supplies	\$300.00	\$65.89	21.96%
6035	Postage/Shipping	\$700.00	\$261.36	37.34%
6076 & 6080	Travel	\$4,000.00	\$3,300.60	82.52%
6221	LWC Meeting Expenses	\$1,000.00	\$872.15	87.22%
	Activities Support Expenditures	<u>\$7,200.00</u>	<u>\$4,500.00</u>	<u>62.50%</u>
	Total Expenditures	<u>\$50,900.00</u>	<u>\$33,151.30</u>	<u>65.13%</u>

LODI WINEGRAPE COMMISSION
ADMINISTRATION
2021-2022 BUDGET
AS OF JUNE 30, 2022

DEPARTMENT: ADMINISTRATION

ACCOUNT CODE	CATEGORIES	FY 2021 - 2022 BUDGET	EXPENDITURES TO DATE	%
	<u>Personnel</u>			
6000	Salaries/Wages	\$558,090.00	\$511,714.28	91.69%
6010 & 6015	Retirement, Payroll Taxes, & Benefits	\$135,602.00	\$121,856.12	89.86%
	Personnel Expenditures	\$693,692.00	\$633,570.40	91.33%
	<u>Office Expenses</u>			
6026	Insurance	\$14,000.00	\$13,024.00	93.03%
6033	Office Supplies	\$11,000.00	\$11,421.05	103.83%
6035	Postage	\$1,500.00	\$2,397.68	159.85%
6040	Rent	\$76,984.00	\$76,653.13	99.57%
6041	Offsite Storage	\$5,494.00	\$6,030.00	109.76%
6054	Property Tax	\$1,200.00	\$991.42	82.62%
6056 & 6058	Utilities & Telephone	\$13,000.00	\$14,587.90	112.21%
6070.2 & 6070.6	Office Maintenance	\$7,000.00	\$5,665.68	80.94%
090 & 6560 & 9010	Payroll & Bank Fees	\$1,000.00	\$836.97	83.70%
6120	Printing & Supplies	\$1,000.00	\$1,693.00	169.30%
	Office Expenditures	\$132,178.00	\$133,300.83	100.85%
	<u>Professional Fees</u>			
6022	Legal Counsel	\$7,500.00	\$3,459.91	46.13%
6024	CPA (Fiscal & Compliance Audits)	\$21,000.00	\$21,600.00	102.86%
6099	CDFA Charges	\$37,000.00	\$32,097.65	86.75%
	Professional Fees Expenditures	\$65,500.00	\$57,157.56	87.26%
	<u>Information Technology</u>			
6060	Software Licenses	\$2,000.00	\$1,792.00	89.60%
6070.1	IT Services	\$23,216.00	\$6,576.48	28.33%
6070.4	Copier/Lease	\$3,742.00	\$7,670.40	204.98%
	Information Technology Expenditures	\$28,958.00	\$16,038.88	55.39%
	<u>Other Admin Expenses</u>			
6075	Vehicles	\$0.00		#DIV/0!
6076 & 6080	Travel (Mileage & Travel)	\$250.00		0.00%
6221	LWC Meeting Expenses	\$1,000.00	\$962.00	96.20%
6250	Dues	\$250.00	\$120.00	48.00%
	Other Admin Expenditures	\$1,500.00	\$1,082.00	72.13%
	Total Expenditures	\$921,828.00	\$841,149.67	91.25%

LODI WINEGRAPE COMMISSION
CWEF
2021-2022 BUDGET
AS OF JUNE 30, 2022

DEPARTMENT: CALIFORNIA WINE EDUCATION FOUNDATION/VISITOR CENTER

<u>ACCOUNT CODE</u>	<u>CATEGORIES</u>	<u>FY 2021 - 2022 BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>%</u>
	<u>Personnel</u>			
8000 & 8003	Salaries/Wages	\$168,080.00	\$169,779.01	101.01%
8010 & 8015	Retirement, Payroll Taxes, & Benefits	\$39,315.88	\$39,911.04	101.51%
	Personnel Expenditures	\$207,395.88	\$209,690.05	101.11%
	<u>Office Expenses</u>			
8040	Rent	\$49,007.74	\$49,007.75	100.00%
	Office Expenditures	\$49,007.74	\$49,007.75	100.00%
	Total Visitor Center Expenditures	\$256,403.62	\$258,697.80	100.89%

**AGREEMENT FOR PROMOTIONAL SERVICES
BETWEEN THE LODI WINEGRAPE COMMISSION
AND THE CALIFORNIA WINE EDUCATION FOUNDATION**

This Agreement for Promotional Services (hereinafter referred to as "Agreement") is effective on the first day of July 1, 2022, by and between the Lodi Winegrape Commission, an entity of state government established pursuant to the California Food and Agricultural Code Section 74801, et seq. (hereinafter referred to as "Commission"), and the California Wine Education Foundation (hereinafter referred to as "Foundation").

RECITALS

WHEREAS, Commission is statutorily empowered to promote growth and expansion of the winegrape industry through market development, promotion, education and research; and

WHEREAS, Foundation is engaged in promotional, educational and research activities relative to the Lodi and greater California wine and winegrape industry, including operation of a Visitor's Center; and

WHEREAS, Commission believes that the Visitor's Center enhances and promotes the Lodi winegrape industry in accordance with Commission's enabling legislation;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree to the following:

1. Funds. Commission shall pay to Foundation an annual fee of \$75,000, to be paid on a monthly basis. This annual fee will be approved by the Commission Board as part of the Marketing-Promotion budget of the Commission.

2. Responsibilities of Foundation. Foundation shall use these funds exclusively for the promotion of the winegrape industry and the education of the public about the winegrape industry by and through the activities of the Visitor's Center.

Foundation shall provide Commission an accounting of all revenue and expenditures of Commission funds. Foundation shall also make its records available for audit by Commission during the term of this Agreement and for up to three years after the date of final payment by Commission.

3. Separation of Organizations. Commission and Foundation acknowledge and agree that they are separate legal organizations, each with their own statutory duties to treat the confidential and proprietary information of each respective

organization as such. Commission and Foundation further acknowledge and agree that there is a duty on the part of each organization not to commingle funds between the two organizations. To this end, Commission agrees that it shall take all reasonable and necessary steps to keep both organizations separate so that the proprietary and confidential information from both organizations are kept separate and treated as such. Commission further agrees that it will take all reasonable and necessary steps to ensure that commingling of Commission and Foundation revenues does not occur, such as, but not limited to, establishing separate bank accounts in the name of each organization and keeping separate financial records for each organization.

4. Term. This Agreement shall commence on July 1, 2022, and terminate on June 30, 2023 unless terminated earlier by either party, pursuant to the provisions of paragraph 5 below.

5. Termination.

(a) This Agreement may be terminated under any of the following conditions:

(i) Secretary of Food and Agriculture. In the event that the Secretary of Food and Agriculture (Secretary) provides Commission notice to cease or correct any activity or function that is determined by the Secretary not to be in the public interest or that is in violation of Division 22, Chapter 18 of the California Food and Agricultural Code, and if Commission determines it can no longer perform any of its responsibilities pursuant to this Agreement after ceasing or correcting the activity or function, Commission may immediately terminate this Agreement and cease all Management Services.

(ii) Termination of Commission. In the event Commission ceases to operate, Commission shall conclude the Management Services as of the date of such cessation and thereupon terminate this Agreement.

(iii) Termination. This Agreement may be terminated without cause by giving 30 days advance written notice to the other party. This Agreement shall terminate on the 30th day after written notice of the termination is received. In the event Foundation terminates this Agreement pursuant to this section, it is agreed that Foundation is liable for all commitments made prior to cancellation or modification and shall reimburse Commission for all reasonable amounts due or owing in accordance with this Agreement.

(iv) Adoption of new agreement. This agreement supersedes all previous agreements and may be terminated upon the mutual agreement and adoption of any subsequent agreement(s) between the Commission and Foundation related to Management Services.

(v) Default. Except as provided in Sections 5(a)(i)-(iii), in the event that either party defaults in performance of any term or condition of this Agreement, the defaulting party must cure the default by a satisfactory performance within thirty (30) days after service of notice on the defaulting party. If the defaulting party fails to cure the default within the specified time, the non-defaulting party may terminate this Agreement without further notice.

(b) Commission Funds. Any Commission funds remaining after termination of this Agreement as provided in Sections 5(a)(i)-(iii) shall be returned to Commission within thirty (30) days following the notice provided by the Secretary in Section 5(a)(i), on the date Commission is required to conclude its obligations in Section 5(a)(ii), or on the date of the notice as provided in Section 5(a)(iii). Any outstanding Foundation funds due and payable to Commission for Management Services shall not be waived by termination of this Agreement.

(c) Liability. Upon the termination of this Agreement as provided in Sections 5(a)(i), (ii) or (iii), Commission shall not be held liable for any breach of this Agreement.

6. Indemnification. Foundation agrees to indemnify and hold Commission, its officers, directors, agents and employees harmless and render Commission, its officers, directors, agents and employees an immediate defense, including retention of legal counsel of Commission's choice, against any and all liabilities, losses, costs, damages, attorney's fees and any other expenses which Commission, its officers, directors, agents and employees may sustain or incur as a result of or in any way connected with Foundation's performance under this Agreement arising directly or indirectly from any acts, errors or omissions of Foundation during the term of this Agreement. Indemnification includes, but is not limited to, indemnity for sums paid or liabilities incurred in settlement of, expenses paid or incurred in connection with, claims, suits or judgments against Commission, its officers, directors, agents and employees, and expenses paid or incurred in enforcing the terms of this Agreement, or in procuring or attempting to procure, release from liability resulting from or in any way connected with Foundation's performance under this Agreement arising directly or indirectly from any acts, errors or omissions of Foundation during the term of this Agreement.

7. Insurance Coverage. Foundation shall maintain, at its sole expense, the appropriate insurance coverage for the purpose of defending and indemnifying Commission and its officers, directors, employees, contractors and representatives from liability which may arise from the acts or omissions of Foundation. Commission shall be named as an additional insured on each such insurance policy and Foundation shall provide Commission with proof, in a manner satisfactory to Commission, that the obligations of this paragraph have been met.

8. No Partnership/Liability. The parties hereto acknowledge and agree that the relationship between Commission and Foundation is one of principal and independent contractor and no other. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, employment relationship or any other relationship except as set forth between the parties. The parties specifically acknowledge and agree that Commission is not a partner with Foundation, whether general or limited, and no activities of Commission or Foundation or statements made by Commission or Foundation shall be interpreted by any of the parties hereto as establishing any type of relationship other than that of principal and independent contractor.

9. Notices. All notices and other communications hereunder shall be deemed to have been given when delivered personally, at the time confirmed for delivery if by facsimile, or if mailed, at the time deposited in the United States mail or with an express mail service, postage prepaid and addressed as follows:

Lodi Winegrape Commission
2545 West Turner Road
Lodi, California 95242

California Wine Education Foundation
2545 West Turner Road
Lodi, California 95242

The parties hereto may change their address as set forth in this paragraph by providing the other party with written notice thereof.

10. Amendments. No change, amendment or modification of this Agreement shall be valid unless in writing and signed by the parties hereto.

11. Assignment. This Agreement may not be assigned or transferred by either party to any third party without the prior written consent of the other party.

12. Attorney's Fees and Venue. If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other reasonable relief to which it may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the appropriate court in the County of San Joaquin, State of California for any proceeding arising hereunder.

13. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

14. Binding on Successors. This Agreement shall be binding on and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

15. Governing Law. This Agreement shall be construed and governed pursuant to the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year set forth above.

LODI WINEGRAPE COMMISSION

CALIFORNIA WINE EDUCATION
FOUNDATION

By: _____
_____, Chairman

By: _____
_____, Chairman

lodi222



Executive Director Report 7-26-22

BOARD UPDATE

LWC Strategic Plan Update/Review – The Executive Committee discussed last month conducting an update/review of our Strategic Plan. It will have been four years since we put together the plan. Stuart has in preliminary discussions with Stacie Jacobs of Solterra Strategies to facilitate the review. Stacie assisted with the previous plan, and also assisted with last year's Winery Strategic Planning.

SJ County Farm Advisor – The initial search was unsuccessful, and UC had to reopen the position. Stephanie is participating in initial interviews for candidates today. Hopefully this round yielded more suitable applicants.

Viticulture Research Specialist – Stephanie has interviewed a very capable and qualified candidate who has been working in New Zealand and returning to California in late July. He set to be in Lodi on August 4 for an interview.

Winery Business Improvement District – The feasibility study process is moving forward. We've got approval from Sac County Board of Supervisors to pull sales tax data. Now waiting on approval from San Joaquin County. Once that is complete, CIVITAS can complete the feasibility study to help determine if and how we should move forward. Have also began the process of putting together the management plan that would spell out what the funds would be used for and how they would be governed.

Sacramento Auto Museum Event – Staff is working with the Sacramento Auto Museum to plan a Lodi specific wine event on Friday, October 21, 2022. The event is designed as a fundraiser for the museum but will be a great opportunity for Lodi to be in front of a Sacramento audience at a unique venue.

LWC HIGHLIGHTS (PAST MONTHS)

July 11-13 – Stephanie participated in the NGRA Board Meeting in Bloomington, Minnesota where they conducted a strategic planning process.

July 15 – Hosted a group of 8 British Somms for dinner in San Francisco.

July 17-22 – Stephanie is attended the International Cool Climate Wine Symposium at Brock University, Canada. She gave a 2-hour masterclass on the LODI RULES program and participating in another seminar about communicating scientific information to growers.

July 21 – Lodi hosted the California Wine Export Program annual meeting and BBQ. The meeting took place in the afternoon at Wine & Roses and consisted of an overview of CA wine promotional programs and regional updates from global reps. The BBQ followed at Oak Farm Vineyards. The event was attended by 70 industry professionals from across the industry in addition to local Lodi people.

July 26 – LWC and E. & J. Gallo offered another mechanization demonstration featuring NAIO Technologies TED robot and New Holland equipment. Thanks to LWC Board Member Joe Laranaga, Pacific Agrlands for hosting this demonstration.

July 26 – The Commission is hosted a winery workshop with Community Benchmark. They presented recent visitation and direct-to-consumer sales numbers and identified areas where Lodi may be outperforming or underperforming the industry.

LWC UPCOMING ACTIVITIES

July 28 – Coordinating the Lodi portion of the OIV Master's in Wine Management California trip. 15 participants from across the world will be part of the trip. They will spend a day in Lodi learning about our wine business.

August 2 – IPM CD11 Lodi Breakfast meeting with Dr. Matt Johnson discussing the use owls, bats, and birds in vineyards.

August 10 – Stuart meeting with the Stockton City Manager to discuss internship positions within the Lodi wine and grape industry for Stockton residents. Apparently there is funding to support these positions.

August 16-22 - Stephanie is heading to Angers, France to represent Lodi and LODI RULES at a conference co-hosted by the International Horticulture Society and OIV, the international viticulture organization. She will present an abstract co-authored with the LODI RULES Committee on "How a regional conservation program helps farmers face challenges: the LODI RULES example" as part of a symposia entitled "The Vitivinicultural Sector: Which Tools to Face Current Challenges."

August 22-26 – Croce, Sanguinetti & Vander Veen has scheduled the Commission's fiscal and compliance audit. They will be onsite all week auditing the books.

August 28-30 – The Commission is sponsoring to activities at the annual TexSom conference in Dallas, Texas. Lodi will be hosting a lunch as well as participating in one of the breakout tastings. Elaine Brown has agreed to host the lunch and talk about Lodi.

September 18-21 – The Winegrape Commission is hosting an influencer immersion trip. Up to 10 influencers will be visiting Lodi over the course of four days participating in grape harvests, winemaking and visiting local spots.

October 21 – co-hosting a Lodi Wine event at the California Auto Museum in Sacramento.

October 27-29 – Stuart will be attending the American Wine Society conference in Bellevue, Washington. He will be giving to seminary on Lodi wine and sponsoring one of the meals (20 case donation).

November 11-12 – The Winery Marketing Committee is going back on the road and will be participating in the San Diego Wine & Food Festival. Approximately 10 wineries will be attending.

COMMITTEE MEETINGS

July 26 – LWC Board Meeting (2:00PM)

July 27 – Lodi Rules Committee (Noon)

August 2 – Executive Committee (Noon)

August 3 – Research, Education & Communication Committee (Noon)

August 8 – Winery Marketing Meeting (9:00AM)