



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes – FINAL
August 9, 2023**

The Lodi Winegrape Commission met on Wednesday, August 9, 2023.

1. The meeting was called to order by Chairman Aaron Shinn at 2:07PM.
2. Roll was called

<u>Commissioner</u>	<u>Present</u>	<u>Alternate Commissioner</u>	<u>Present</u>
Phil Abba	X	Scott Armolea	X
Pieter A den Hartog	X	Garret Schaefer	
Jason Eells	X	Todd Maley	X
Curt Gillespie	X	Brandon Sywassink	X
Joan Kautz	X	Colton Machado	X
Tom Murphy	X	Dirk Heuvel	X
Diego Olagaray	X	Mitch Spaletta	
Hadyn Schatz	X	Joe Laranaga	X
Jacylyn Stokes	X	Art Prudhel	

Also, in attendance was Aaron Shinn, Amy Blagg, Larry Whitted and Mirek Wilczek (CDFA Marketing Branch). Staff present Stuart Spencer and Stephanie Bolton. A quorum was established.

1. On a motion by Stokes/den Hartog the minutes of the June 21, 2023 meeting were approved (Exhibit A).
2. Public Comment on Items Appearing on the Agenda – None
3. **Financial Report** – Treasurer Tom Murphy explained that the Commission needs to appoint an auditor for the 2022-23 fiscal year. Motion to appoint Croce, Sanguinetti & Vander Veen to conduct the Commission’s 2022-23 fiscal and compliance audit. Shinn/Olagaray – Carried.
4. **Report of the Nominating Committee** – Aaron Shinn and Brandon Sywassink comprised the nominating committee and reported that they had talked to all Commissioners and have the following recommendations: Chairman, Diego Olagaray; Vice Chairman, Curt Gillespie; Treasurer Tom Murphy; Secretary, Jacylyn Stokes. 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 Diego Olagaray as Chairperson. Abba/Murphy – Carried. The election was then turned over to the Chair Diego Olagaray. Motion to accept the recommendation of the nominating committee for Curt Gillespie to serve as Vice Chair, Tom Murphy to serve as Treasurer, and Jaclyn Stokes to serve as Secretary. Eells/Kautz – Carried.

5. **Chairman’s Report** – Chair Olagaray thanked Aaron Shinn for his service. There are a few committee appointments:
Pieter den Hartog – Lodi Rules
Hadyn Schatz – Finance Committee
Kevin den Hartog – Research, Education & Communication
Justin Tanner – Research, Education & Communication
Motion to accept the committee appointments. Gillespie/Abba - Carried
6. **Consideration of Agreements between LWC and CWF** - Spencer shared the draft agreement for Promotional Services for the Visitor Center for 2023-24 (Exhibit B). Spencer explained that the agreement formalizes the promotional sponsorship between LWC and CWF concerning the Lodi Wine & Visitor Center. Motion to accept the agreement as presented. Stokes/Murphy – Carried. Spencer then shared the draft agreement for Management Services for the Visitor Center for 2023-24 fiscal year (Exhibit C). Motion to approve the agreement as presented. Stokes/Eells – Carried. Spencer then shared the Promotional Services Agreement for the Lodi Wine Experience for 2022-23 (Exhibit D). This agreement formalizes the Commission’s sponsorship of the event for 2023. Motion to accept the agreement as presented. Abba/Gillespie – Carried.
7. **Executive Director’s Report** - ED Spencer updated the board on recent Commission activities (Exhibit E) including the Lodi Wine Experience, the Winery BID, Delta College Viticulture Program, Early College High School Intern, upcoming Audit, and the Vineyard Return on Investment project.

8. **Committee Reports:**

Executive Committee – The committee has not met.

Grower Marketing Committee – Committee Chair Joan Kautz updated the board on the Committee’s August 2 meeting. The committee is scheduled to meet August 2nd. We are taking a different approach with our media planning this year. We’ve contracted with A&J Partners (Allison Langhoff & Jen Hord) to help with media planning and negotiations. They reviewed the past year’s advertising programs and received an update on advertising plans for the coming years. We are taking a different approach with our media planning this year. The advertising program will focus on the Lodi video series, “A Rising Tide” that will roll out this fall. Additionally, the committee reviewed ongoing PR initiatives and plans to leverage video series for PR coverage. And had a lively discussion on the grape market and options for growers.

Winery Marketing Committee – The committee met on August 8 and is working on next year’s Lodi Wine & Chocolate Weekend and exploring adjustments to the event. Additionally, the committee is looking at several road shows to attend as a group in the coming year.

Lodi Rules – Committee Chair Abba updated the board on their recent meeting. They discussed this year’s audits, the updated standards & PEAS 2.0, and grower feedback. There has been a lot of activity this season with the new 4th edition and PEAS 2.0. The program now has almost 74,000 acres (33,000 in Lodi). Both within Lodi and outside grew this season.

Research, Education, Communication – Committee Chair Witted noted that the committee met on July 25. Dr. Bolton updated the board on the “Clearing the Air” outreach meeting she is planning for September 12 on vineyard removals. In addition to the activities already discussed, the Rootstock Focus Group continues to meet on the first Thursday of the month working on developing rootstock trials for Lodi. Additionally, the committee is funding the ROI worksheet discussed previously and working on the DPR Canine Detection Grant. Next meeting is scheduled for September 19.

9. Other Organization Reports:

CWEF – no additional information.

LDGGA – Amy Blagg updated the board on their recent blood drive, harvest safety event, contract meeting, and noted that minimum wage is moving to \$16/hour next year. .

SJCFB – no report

Lodi Grape Festival – looking for grape entries for the Grape Festival competition.

CAWG – no report

10. Public Comment – No comment

11. Agenda Items for Future Meetings – None

12. The next meeting was scheduled for November 2, 2023 at 2:00PM.

13. The meeting adjourned at 3:55 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Jaclyn Stokes
Secretary



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes – FINAL
June 21, 2023**

The Lodi Winegrape Commission met on Wednesday, June 21, 2023.

1. The meeting was called to order by Chairman Aaron Shinn at 2:05PM.
2. Roll was called

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

Also, in attendance was Pieter den Hartog, Hadyn Schatz, and Mirek Wilczek (CDFA Marketing Branch). Staff present Stuart Spencer and Stephanie Bolton. A quorum was established.

3. On a motion by Abba/Eells the minutes of the April 12, 2022 meeting were approved (Exhibit A). On a motion by Olagaray/Stokes the minutes of the February 16, 2023 meeting were approved with changes (Exhibit B).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – tabled until budget discussion.
6. **Chairman’s Report** –
 - Chairman Shinn reported on his recent activities as Chair
 - Chair Shinn asked Stuart Spencer to present the board election results.

		2023			
<u>Commissioners</u>	<u>Term</u>		<u>Alternates</u>		<u>Term</u>
Pieter A den Hartog	1st		G. Schaffer		3rd
J. Eells	3rd		T. Maley		3rd
D. Olagarary	3rd		M. Spalleta		3rd
H. Schatz	1st		J. Larranaga		2nd
Term expires in 2025					

- Spencer distributed the updated board list for 2023-24 (Exhibit B).
 - Chair Shinn appointed himself and Brandon Sywassink to serve as the nominating committee. They will present recommendations at the next meeting for board officers.
 - Chair Shinn presented the proposed “Executive Director Evaluation Procedure” (Exhibit C) that spells out the annual process for evaluating the Executive Director. This procedure is being put in place to clearly define the procedure for future boards. Motion to approve the Executive Director Evaluation Procedure as presented. Eells/Kautz – Carried.
7. **Executive Director’s Report** - ED Spencer updated the board on recent Commission activities (Exhibit D) including the Lodi Wine Experience, the Winery BID, Delta College Viticulture Program, Early College High School Intern, and the Vineyard Return on Investment project.
8. **Consideration of FY 2022-23 Budget** - ED Spencer presented the proposed FY 2023-24 Budget (Exhibit D). The Executive Committee and committee chairs met on June 7, 2023, to assemble the budget. Each committee submitted a budget request, and the group developed an income projection (Exhibit E) 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. There was some discussion that assessment revenue projection was too optimistic based on current grape market conditions, and that the proposed expenses could potentially impact programming. Motion to accept the recommended budget with projected income of \$2,690,050.61 and projected expenses of \$2,676,764.66 for the fiscal year 2023-24 with the caveat the Executive Committee review after three months and recommend budget changes if needed. Stokes/Kautz – Motion Carried.
9. **Assessment Rate** – The Executive Committee is also recommending that the assessment rate stay the same for 2023-24 FY at .45%. Motion to set the assessment rate at .45% for the fiscal year 2021-22. Olagaray/Stokes– Carried.
10. **Committee Reports:**

Executive Committee – The committee met on June 7 for the budget preparation and on June 14 for the Executive Director review.

Grower Marketing Committee – The committee is scheduled to meet August 2nd. We are taking a different approach with our media planning this year. We’ve contracted with A&J Partners (Allison Langhoff & Jen Hord) to help with media planning and negotiations. Both Allison and Jen worked for Wine Enthusiast for many years on the advertising sales side.

We've decided to move forward this year for several reasons: They will be able to negotiate more bang for buck. They know what is being offered to others and will negotiate better deals; They are working with a lot more partners and will hopefully bring new and more interesting partners to the table; They will work closely with our PR to align advertising with PR initiatives. They know and work well with Calhoun on other projects. It will free up some staff time for other projects; and it will provide us with an outsider's evaluation and input on our marketing and advertising programs.

Winery Marketing Committee – The committee finished the series of educational classes in partnership with WISE academy. The 6-part series concluded in June. The workshops are designed around the direct-to-consumer experience helping producers maximize sales and brand equity. The committee is working on next year's Lodi Wine & Chocolate Weekend and exploring adjustments to the event. Additionally, the committee is looking at several road shows to attend as a group in the coming year.

Lodi Rules – The LODI RULES committee met in May. There has been a lot of activity this season with the new 4th edition and PEAS 2.0. Staff continue to have some challenges working with Protected Harvest, but the tone and attitude has been much more helpful and constructive. There continues to be growing interest in sustainability and certification as more wineries are pushing for it. The program now has 70,000 acres (36,000 in Lodi) and is a major element of California's sustainability efforts.

Research, Education, Communication – The Research, Education and Communication committee met on May 30. In addition to the activities already discussed in the Executive Director's report, the Rootstock Focus Group continues to meet on the first Thursday of the month working on developing rootstock trials for Lodi. Additionally, the committee is funding the ROI worksheet discussed above, annual calibration of the weather stations, adding additional stations, daily forecast and frost projections.

11. Other Organization Reports:

CWEF – no additional information.

LDGGA – Brandon Sywassink updated the board on recent LDGGA activities including in blood drive and harvest safety seminar. He also noted that the LDGGA board had met with the new Ag Commissioner and that it was a positive experience.

SJCFB – no report

Lodi Grape Festival – no report

CAWG – no report

12. The board went into closed session at 3:50 regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a). The board returned from closed session at 4:15. Chair Shinn noted

that the board was happy with the direction of the Commission and the Executive Director. A 4% raise was approved.

13. **Public Comment** – No comment

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

15. The next meeting was scheduled for August 9, 2023 at 2:00PM.

16. The meeting adjourned at 4:25 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary

**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, 2023, 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 \$100,000, 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, 2023, and terminate on June 30, 2024 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

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

This Agreement (hereinafter referred to as "Agreement") is effective on the first day of July 1, 2023, 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 engaged in establishing and managing public information, marketing, education and research programs for the purpose of promoting the winegrape industry and other related and/or compatible uses and services, and Commission desires to provide these management services to Foundation; and

WHEREAS, Foundation desires to secure Management Services from Commission.

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. Responsibilities of Commission. Commission shall provide, coordinate and supervise Management Services on behalf of Foundation, as described in Sections 1(a)-(d) below. Commission shall utilize its best efforts to provide the Foundation with Management Services that comply with generally accepted standards of practice in effect at the time of performance. Except as provided in this Section, Commission makes no other warranty, either express or implied, as to the Management Services to be provided hereunder. Commission agrees to:

- (a) Provide administrative support necessary for Foundation; including, but not limited to, supervising employees and independent contractors, carrying out Foundation's accounting duties; administering promotional programs; and managing budgetary and financial expenditures, including utilizing additional resources when necessary or within approved budgetary guidelines.
- (b) Use Foundation funds for Management Services exclusively to provide all administrative support for activities specified in Section 1(a).
- (c) Make its records available for audit by Foundation during the term of this Agreement and for up to three years after the date of final payment by Foundation pursuant to Section 3. Any audit is limited to those matters connected with the performance of this Agreement.

(d) As manager of Foundation, Commission shall have powers and duties as specified in Foundation bylaws and those approved by the Foundation Board.

2. Fees and Expenses. Foundation shall reimburse Commission all direct staffing costs for administrative and management services provided to the Foundation on a monthly basis.

All actual costs directly related to Foundation, including but not limited to, monthly telephone service, internet and email accounts, letterhead, payments to independent contractors, promotional and advertising materials, legal fees and audits, shall be paid directly from Foundation specific accounts and funds. Commission, as the Manager of the Foundation, shall have the authority to write checks from Foundation accounts for all such costs without Foundation Board approval for all amounts within approved budgetary guidelines.

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, 2023, and shall terminate on June 30, 2024, 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) Foundation Funds. Any Foundation funds remaining after termination of this Agreement as provided in Sections 5(a)(i)-(iii) shall be returned to Foundation within thirty (30) days following the notice provided by the Secretary in Section 5(a)(i), on the date the 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. Sole and Only Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to their rights and obligations hereunder. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

14. 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.

15. 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.

16. 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

**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.

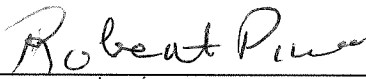
15. Governing Law. This Agreement shall be construed and governed pursuant to the laws of the State of California.

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: 
7/26/22, Chairman
Aaron Skinner

By: 
5/12/22, Chairman

lodi222



Executive Director Report 8-9-23

Winery Business Improvement District – A working group of winery owners is moving forward with the establishment of a Winery Business Improvement District. The group is hosting a meeting on August 16 for winery owners and key management personnel at Oak Farm Vineyards to present the concept to the winery community. The group will contract CIVITAS to get the process moving forward, which could take 7-8 months to complete. The working group is recommending setting the assessment at 2%, which could generate \$900,000 in additional revenue for promotions based on current sales tax numbers. Attached is an information sheet that is being distributed to winery owners.

Wine Enthusiast Future 40 – Dr. Stephanie Bolton is being recognized as one of Wine Enthusiast magazine's Future 40, an honor that highlights 40 individuals making significant contributions to the industry. Stephanie will be featured in the October issue of the magazine and honored at a NY City celebration in November. Calhoun & Co pitched Stephanie as an honoree based on her extensive work with Lodi growers in research, education, communication and sustainability.

Delta College Viticulture Program – On June 29 a group of Lodi leaders met with Delta College Superintendent/President Dr. Lisa Aguilera Lawrenson and VP of Instruction Dr. Kale Braden. They are exploring establishing a Viticulture Program at SJ Delta College and have been reviewing other programs. They are putting together an Agriculture Advisory Board to help guide the process. Stephanie and Stuart have both been asked to serve on the board.

SJ Delta College Wine Classes - San Joaquin Delta College is offering six wine appreciation and winery hospitality courses for the Fall 2023 quarter, with some beginning as early as August 21, 2023. Class information is posted on lodigrowers.com at <https://lodigrowers.com/wine-appreciation-courses-at-san-joaquin-delta-college/>. Additionally, Fred Swan has been appointed as the Associate Professor of Wine Studies at Delta College. Fred is a long-time wine writer and educator and we've collaborated with Fred many times over the years. All Lodi growers, vintners, and anyone interested in the wine and grape industry would benefit from taking the classes.

Earn to Learn – as part of our ongoing efforts to establish better pathways for local youth into our industry, the Winegrape Commission is hosted a Valley Robotics High School intern for 6 weeks this summer. The program was highlighted in a short documentary created for The 74 – a leading education industry publication. The documentary can be viewed here - <https://www.the74million.org/article/how-a-california-wine-region-is-growing-futures-by-turning-vineyards-into-state-of-the-art-classrooms/>.

LWC Audits – Croce, Sanguinetti and Vander Veen will be onsite the week of August 14 to conduct the Commission's fiscal and compliance audit. As part of their annual process, they will interview the Chair and/or the Treasurer and ask if there is anything specific, they would like them to address.

CA Tourism Task Force – Stuart has been asked to serve on the Central Valley Tourism Task Force for Visit California. They are embarking on a 2 year strategic plan and have broken the state up into 6 regions.

LWC HIGHLIGHTS (PAST MONTHS)

June 27-29 – Stephanie is attended the ASEV (American Society of Enology & Viticulture) conference in Napa. She will also hosted a tour with Dr. Justin Tanner and Dr. Luis Diaz Garcia at the UC Oakville Experiment Station on Wednesday, June 28th at 5pm for a tour of the rootstock trials there followed by a picnic.

July 16-21 – Stephanie also attended the GiESCO Conference (<https://cals.cornell.edu/giesco>) at Cornell University. GiESCO (Group of International Experts for Cooperation on Vitivinicultural Systems Conference) is a gathering of international viticulture extension professionals for a week-long conference.

July 24 – The Commission coordinated the Lodi portion of the OIV Master's in Wine Management California trip. 8 participants from across the world will be part of the trip. They spent the day in Lodi learning about our wine business.

July 27 – hosted the annual Lodi Harvest Safety Seminar in partnership with the Lodi District Grape Growers Association at the Grape Festival Grounds.

LWC UPCOMING ACTIVITIES

August 27-28 – Lodi is attending the annual TexSom Conference in Dallas, Texas. Lodi will be sponsoring a lunch and hosting a table at one of the walk-around tastings. TexSom is one of the best annual conferences for the sommelier industry and brings in over 500 professionals for the event. Noted wine writer and speaker Elaine Brown will host the lunch for Lodi.

September 4-8 – Stuart is traveling back to New York and Chicago with our public relations agency Calhoun. We will be hosting a series of seminars/lunches/dinners in both cities. We have contracted with Elaine Brown to host the seminars. Elaine brings a wealth of credibility and respect to telling the Lodi story.

September 12– Stephanie is working on putting together a big Ag Burning Outreach meeting at the Cabral Center in September. She is working with the Ag Commissioner and LDGGA. She is working on getting all the stakeholders and decision makers at the meeting to help develop workable economically viable solutions.

November 7 – Stuart will be giving a Lodi Wine Masterclass at the California Wine Export Program's Global Buyers Market in Napa. The Export Program is bringing 75-80 importers from across the globe to California for a 2-day conference. Attendees are vetted for those interested in bringing new CA wines to their respective markets.

November 9-12 – Stuart will be attending the American Wine Society conference in St.Louis, Missouri and is giving three presentations on Lodi wine over the course of the conferences.

November 10-11 – 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 the show, and the Commission will attend to make sure the Lodi pavilion is well branded.

COMMITTEE UPDATES

Grower Marketing - The committee is met on August 2nd. They reviewed the past year's advertising programs and received an update on advertising plans for the coming years. We are taking a different approach with our media planning this year. We've contracted with A&J Partners (Allison Langhoff & Jen Hord) to help with media planning and negotiations. Both Allison and Jen worked for Wine Enthusiast for many years on the advertising sales side. The advertising program will focus on the Lodi video series, "A Rising Tide" that will roll out this fall. Additionally, the committee reviewed ongoing PR initiatives and plans to leverage video series for PR coverage.

Winery Marketing – The committee met on August 8 and is working on next year's Lodi Wine & Chocolate Weekend and exploring adjustments to the event. Additionally, the committee is looking at several road shows to attend as a group in the coming year.

Research, Education & Communication Committee – The Research, Education and Communication committee met on July 25. They had a robust discussion on growing season, recent heat waves, and management strategies.

Lodi Rules Committee - The LODI RULES committee met on August 7 and reviewed this year's new standards and audit season. The program has grown to over 73,000 acres and saw growth both within District 11 and outside this year.

COMMITTEE MEETINGS

September 9 – Research, Education & Communication Committee (Noon)

October 3 – Winery Marketing Meeting (Noon)

October 30 – Lodi Rules (Noon)

November 1 – Grower Marketing Meeting (Noon)