

Crop Update-December 21, 2016

Happy Holidays!



The Lake Erie Regional Grape Program



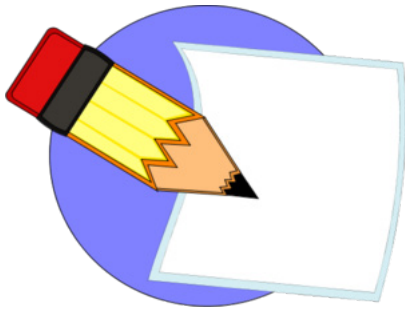
Building Strong and Vibrant New York Communities

Diversity and Inclusion are a part of Cornell University's heritage. We are a recognized employer and educator valuing AA/EEO, Protected Veterans, and Individuals with Disabilities.



Wednesday, March 15, 2017- Annual Winter Grape Grower Conference

Please note the date change from previous mailings.



Register:

Use the registration form on next page or register on-line using the following link:

https://lergp.cce.cornell.edu/event_preregistration.php?event=281



LAKE ERIE REGIONAL GRAPE PROGRAM

2017 GRAPE GROWERS' CONFERENCE REGISTRATION FORM

to be held at SUNY Fredonia Williams Center

on Wednesday, March 15, 2017

Deadline for registration is Friday, March 3, 2017.

Name (1st attendee) _____ \$ _____

Farm Name _____

Address, City, State, Zip Code _____

Phone _____ **E-mail** _____

Are you enrolled in Lake Erie Regional Grape Program (LERGP)? Yes _____ No _____

REGISTRATION FEES	
LERGP Member 1 st attendee	\$ 50.00
Additional attendee on same farm	\$ 40.00
Non- member	\$100.00

Additional Attendees:

	\$
	\$
	\$
	\$
	\$

*Please add a **\$25.00 late fee** for each reservation made after March 3, 2017

TOTAL \$ _____

Please make check payable to **LERGP (Lake Erie Regional Grape Program)** and mail to: Kate Robinson
(US funds only) LERGP
 6592 W Main Rd
 Portland NY 14769

Name _____ NY DEC/PA PDA NUMBER _____

Name _____ NY DEC/PA PDA NUMBER _____

Name _____ NY DEC/PA PDA NUMBER _____

<u>Date Ck. Rec'd</u>	<u>Amount</u>

Call Kate at 716-792-2800 ext 202 with any questions.

Business Management

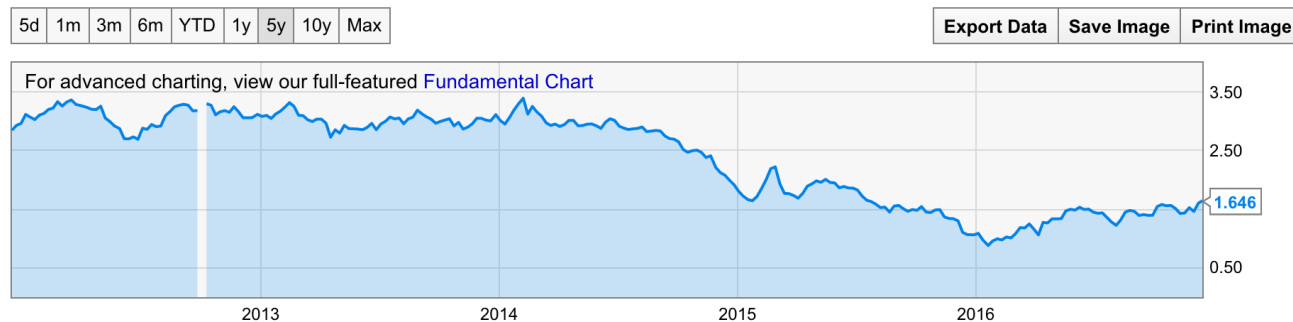
Kevin Martin, Penn State University, LERGP, Business Management Educator

Input Costs for Winter/Spring 2017

I have said frequently that January is typically the best month to stock up on fuel. In 2016 we broke that trend and the market found bottom just one month later in February. Further declines were predicted, but prices have been rising ever since, 18% year to date. In the context of fuel price volatility and the relatively low price of diesel fuel, I would characterize that 18% increase as modest but larger than anticipated. Volatility in the future's market for diesel has been much greater. Out of NY, the market bottomed last January at \$.88 per gallon and has since doubled to \$1.64.

New York Harbor Ultra-Low Sulfur No 2 Diesel Spot Price Chart

[View Full Chart](#)



After a slight bump in early 2015 potash prices, the downward trend resumed and continued throughout 2016. Spot prices of \$195 per ton are at five year lows. Analysts continue to forecast more declines in potash prices. With continued weakness in the international market, at \$190 per short ton, the decline in price may not be over. Another 10% decline is expected over the next two years. Assuming their crystal ball is accurate, a 10% decline in spot prices is not large enough to justify a delay in any recommended potash purchases. Savings per acre, at the retail level, will amount to \$3 - \$10 per acre.

Urea prices have turned around in recent months. After hitting a multi-year low in July, prices have been rising ever since. Inventories stabilized quickly as spot prices fell below \$200 per ton. Prices in the Gulf are up to \$219. This pushed retail prices to \$320, and closer to spot prices than sustainable. Given the lower than average margins, retail prices should continue to rise through the 1st quarter unless market conditions change.



As is always the case, there is gambling involved with purchase dates. If cash is ready and available, early purchases of these commodities should help to control production cost risk. Given historical prices, it likely

makes sense to make these purchases in the near future. Urea would be the only purchase I would consider delaying, and then, only if my soil tests indicated high levels of organic matter.

Of course, amongst all of these falling costs are costs that continue to rise. Labor, in particular, continues to be the elephant in the room. We have not had a lot of response in our survey of pruning strategies, so good data is hard to come by. Anecdotally, we expect another 5% increase in costs over last year. Pruning costs are up around 30% since their bottom almost 10 years ago.



The advertisement features a purple header with a stylized landscape graphic. On the right, the logo for Diversified Crop Insurance Services is displayed, with the text "Proudly Representing" above it. Below the logo, a portrait of Mark C. Muir is shown. To the right of the portrait, the headline "Helping farmers to protect their revenue and preserve their equity." is written in a large, bold, purple font. Below the headline, a paragraph of text explains the value of crop insurance. At the bottom, a white box contains contact information for Mark C. Muir Agency, including the address, phone number, and email. The background of the lower half of the ad is a blurred image of purple grapes.

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Crop Insurance Services



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revenue and preserve their equity.**

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Mark C. Muir

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Cultural Practices

Luke Haggerty, Viticulture Extension Associate, Lake Erie Regional Grape Program

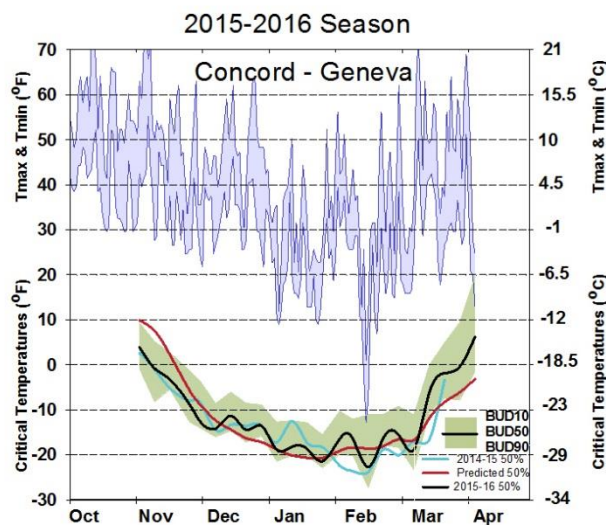
Bud Hardiness

The first cold snap of the 2016-17 winter prompted many inquiries on how hardy the buds are. Although we haven't started sending off canes to Geneva for testing yet, long-term data shows that Concord buds should be hardy down to -12°F and Riesling bud hardy to -5°F . So, no need to worry about the recent low temperatures. In fact, these low temperatures are helping the vines acclimate down to their respective hardiness threshold.

Starting in January we'll be sending canes off to Geneva for the 'Bud Hardiness Project'. Each year we send off canes from different grape varieties grown in the Lake Erie region for bud hardiness evaluation (<http://grapesandwine.cals.cornell.edu/extension/bud-hardiness-data/>). The evaluation consists of a differential thermal analysis (DAT) used to estimate the temperature a bud can withstand before death by recording the 'Low Temperature Exotherms' (LTE). For example, DTA is used to predict the lethal temperature that would kill 50% (LT50) of the buds of a specific cultivar.

Although, the 2016-17 graphs are in the process of being made I have added the 2015-2016 Concord graph to show bud LTs in response to temperature. The temperatures in purple shading show the temperatures throughout the winter seasons. To follow 2017 bud hardiness LTEs for the Lake Erie or other New York grape regions go this link:

<http://grapesandwine.cals.cornell.edu/extension/bud-hardiness-data/>



New Worker Protection Standard Regulations Coming Your Way

If you were unable to attend the WPS meetings held on October 25 at CLEREL or on October 26 at the Niagara County CCE office in Lockport, you should take some time to review the documents that provide the information you need to become, or remain, compliant with WPS in your vineyard operation.

A great resource can be found at:

<https://www.epa.gov/pesticide-worker-safety/revisions-worker-protection-standard>

The EPA has produced this webpage to provide you with information, and links to more information, that is critical for you to have to ensure that you are compliant under the new WPS regulations. The web page provides you access to:

- What are the major changes for farmers and farmworkers?
- What will these changes achieve?
- What types of activities are covered?
- When will these changes take place?
- Videos on the WPS revision?

If you are just looking for what is new, this web page provides a link to a Comparison Chart of the current WPS and the new revisions under the Summary and Overview Materials on the Revised WPS section further down on the page. A copy of that information can be found following this article.

If you don't use a computer, or just want someone to tell you what is going on and answer your questions, you are in luck. Sign up for the 2017 LERGP Growers Conference on March 15 at Fredonia State University. Mike Nierenberg, Pesticide Control Specialist II with the NYS Department of Environmental Conservation will be on hand to discuss WPS revisions. In addition, James Carrabba, Agricultural Safety Specialist, will be at the conference to provide information on the new WPS regulations concerning respirator fit testing.

We expect seating to be limited and encourage you to sign up for the LERGP Growers Conference early to assure your seat. On-line registration can be completed on our website at: <https://lergp.cce.cornell.edu/event.php?id=281> or give Kate a call at (716) 792-2800.

AGRICULTURAL WORKER PROTECTION STANDARD (WPS)

COMPARISON OF THE NEW PROTECTIONS TO THE EXISTING PROTECTIONS

October 2015

US EPA



This table summarizes key provisions in the EPA's current WPS regulation and the 2015 revisions. It does not cover all of the details in the rule nor does it include all of the information needed to comply with the regulation.

Requirement	New 2015 Provision	Current Provision
Training		
Frequency of full training for workers and handlers	Annual training.	Every 5 years.
Training grace period for worker training	No grace period. Workers must be trained before they work in an area where a pesticide has been used or a restricted-entry interval has been in effect in the past 30 days.	5-day grace period with abbreviated training.
Qualifications for trainers of workers	Certified applicators, State/Tribal/Federal approved trainers, and persons who have completed an EPA-approved train-the-trainer course.	Handlers, certified applicators, State/Tribal/Federal approved trainers, and persons completing an approved train-the-trainer course.
Expand training content for workers and handlers	Keep existing and expand content. Final worker training topics expanded to 23 items, and handler training expanded to 36 items. Training on new content not required until 2 years from effective date of final rule.	11 basic training items for workers and 13 items for handlers. Minimal training on reducing take-home exposure, reporting use violations, and prohibition from employer retaliation.
Recordkeeping of training	Keep records for 2 years. Give copy of record of training to workers and handlers upon their request.	No recordkeeping of training. Voluntary verification card system.
Hazard Communication		
Content and availability of hazard communications materials	Employer must display application information and safety data sheets (SDSs) at central location within 24 hours of end of application and before workers enter that treated area. Display both for 30 days after REI expires. Keep application information and SDS for 2 years from end of REI and make available to workers, handlers, designated representatives (identified in writing) or treating medical personnel upon request.	Employer must display application-specific information at a central location before application occurs, or, if no workers or handlers are on the establishment, before next period workers/handlers are on establishment. Keep posted for 30 days after REI expires. No recordkeeping.

Requirement	New 2015 Provision	Current Provision
Notification of Treated Areas		
Notification of treated areas under an REI	Post warning sign if REI is greater than 48 hours (outdoor applications) or 4 hours (enclosed space applications (e.g., greenhouses)), otherwise option for posting or oral notification unless label requires both.	Farms, forests and nurseries: Post warning sign or give oral notification for any REI, unless label requires both. Greenhouses: all applications require signs to be posted.
Warning sign	Same as current sign.	Red circle containing stern-faced man with upraised hand. At the top: "DANGER" and "PELIGRO", "PESTICIDES", "PESTICIDAS". At the bottom: "KEEP OUT", "NO ENTRE."
Information exchange between handler employer and agricultural employer	Agricultural employer must provide application information on treated areas the handler may be in (or walk within ¼ mile of). Handler employer must notify before the application begins for certain changes and within 2 hours of end of application for most other changes, unless only change was less than 1 hour difference in application time.	Agricultural employer must provide application information on treated areas the handler may be in (or walk within ¼ mile of). Handler employer must notify of changes to application plans before application begins.
Minimum Age		
Minimum age for handlers and early-entry workers	Handlers and early-entry workers must be at least 18 years old. (Members of owner's immediate family are exempt from this and most other requirements of the WPS.)	No minimum age.
Entry Restrictions During Application for Outdoor Production		
Ag employers must prohibit entry in areas during application for outdoor production. (Restrictions for greenhouses/enclosed space production are different.)	All outdoor production: No entry into treated area or the application exclusion zone, which is an area up to 100 feet area around the application equipment during pesticide application on farms, forests and nurseries. Size of the application exclusion zone depends on type of application. Revised descriptions of application methods.	Farms and forests: No entry into treated area. Nurseries: No entry into treated area or an area up to 100 feet around the treated area, where the size of the additional area depends on type of application.
Handler Suspend Application		
Handler (applicator) must suspend application in certain circumstances	Handler must apply pesticides so as not to contact workers or other persons. Handler must suspend application if a worker or other person is in the application exclusion zone, an area up to 100 feet around the application equipment.	Handler must apply pesticides so as not to contact workers or other persons. No specific requirement to suspend applications.
Exemptions and Exceptions		
Exemption for certified crop advisors and their employees	Only certified crop advisors are exempt from labeling PPE and WPS requirements as specified in exemption. Certified crop advisor employees must use label-required PPE while working in a field during an REI, and employer must provide all required WPS protections, or rely on the PPE substitutions allowed under the crop advisors.	Certified crop advisor chooses PPE for themselves and their employees working under their direct supervision in a field during an REI. Also exempted from providing decontamination supplies and emergency assistance for themselves and employees.
Exceptions to REIs for early entry workers – notification requirements	Notify early-entry workers of application specifics, tasks to be performed, conditions of the early-entry exception, and hazard information from the pesticide label.	Inform early-entry workers of hazard information from the pesticide label.

Requirement	New 2015 Provision	Current Provision
Basic Pesticide Safety Information		
Display of pesticide safety information	Display pesticide safety information at a central location and at sites where decontamination supplies are located, if the decontamination supplies are at a permanent site or at a location with 11 or more workers or handlers.	Display a safety poster at central location.
Content of pesticide safety information	Information can be displayed in any format (doesn't have to be a poster); keep the 7 concepts about preventing pesticides from entering your body; delete the point that there are federal rules to protect workers and handlers; add instructions for employees to seek medical attention as soon as possible if they have been poisoned, injured or made ill by pesticides; add name, address and telephone number of state or tribal pesticide regulatory authority; revise "emergency medical facility" to " <u>a nearby</u> operating medical care facility." New content for safety information display not required until 2 years from effective date of final rule.	The safety poster must include 7 concepts about preventing pesticides from entering your body; the point that there are federal rules to protect workers and handlers; and the name, address and phone number of the nearest emergency medical care facility.
Personal Protective Equipment		
Respirators	Employer must provide respirator and fit testing, training, and medical evaluation that conforms to OSHA standards for any handler required to wear any respirator by the labeling. Require recordkeeping of completion of fit test, training, and medical evaluation.	Employer must provide respirator listed on label and ensure it fits. No recordkeeping required.
Definition of chemical-resistant	Same as current definition.	Made of a material that allows no measurable movement of the pesticide through the material during use.
PPE exception for closed systems	Exceptions to the labeling-specified PPE allowed for handlers when using closed systems. A closed system must meet a broad performance-based standard and basic operating standards (written operating instructions and training of handlers in use of the system) must be provided.	Exceptions to the labeling-specified PPE allowed for handlers when using closed systems. No specific criteria for closed systems.
PPE exception for crop advisors and their employees	Crop advisors and their employees entering treated areas while a REI is in effect to conduct crop-advisor tasks may wear a standard set of PPE (coveralls, shoes plus socks and chemical-resistant gloves made of any waterproof material, and eye protection if the labeling of the pesticide product applied requires protective eyewear for handlers, as outlined in rule), <i>OR</i> the PPE specified on the pesticide labeling for early-entry activities instead of the PPE specified on the pesticide labeling for handling activities, provided certain conditions are met. (See exemption for certified crop advisor.)	Crop advisors and their employees entering treated areas while a REI is in effect to conduct crop-advisor tasks may wear the PPE specified on the pesticide labeling for early-entry activities instead of the PPE specified on the pesticide labeling for handling activities, provided certain conditions are met. (See exemption for certified crop advisor.)
PPE exception from eyewear for pilots in open cockpits	If product label requires eye protection, pilots in open cockpits may wear a helmet with lowered face shield instead of label-required eye protection.	If product label requires eye protection, pilots in open cockpits may wear visor instead of label-required eye protection.

Requirement	New 2015 Provision	Current Provision
Personal Protective Equipment		
PPE exception from gloves for pilots in enclosed cockpits	Same as current requirement.	Gloves are optional when entering and leaving aircraft unless required by product label.
PPE exception for enclosed cabs	Maintain exception for dermal PPE as in existing rule with same conditions, but handlers in enclosed cabs must wear the labeling-specified respiratory protection except when the only labeling-specified respiratory protection is a particulate filtering facepiece respirator (NIOSH approval number prefix TC-84A), previously called a dust/mist filtering respirator.	Exceptions to the labeling-specified PPE are allowed when handling tasks are performed from inside an enclosed cab that meets the specifications defined in the rule and certain conditions are met. Exceptions to the labeling-required respiratory protection are allowed only if the cab has been certified by the manufacturer to provide respiratory protection equivalent to the respiratory protection required by the pesticide labeling for handling.
Decontamination Supplies		
Quantity of water	Provide 1 gallon for each worker and 3 gallons for each handler and each early entry worker as measured at beginning of workers' or handlers' work period.	Provide enough water for routine washing and emergency eye flushing for workers and handlers. For handlers, also provide enough to wash entire body in emergency.
Use of natural waters	Must provide water for decontamination. There is no reference to, or prohibition from, using natural waters in addition to decontamination water provided. Workers and handlers are trained to use any nearest clean water source in case of emergency.	Must provide water for decontamination. May use natural waters in addition to water provided for decontamination.
Eye wash for handlers	Provide a system capable of delivering 0.4 gallons/minute for 15 minutes, or 6 gallons of water able to flow gently for about 15 minutes at a mix/load site if handlers use products requiring eye protection or use a pressurized closed system. One pint of water in a portable container must be available to each handler applying pesticides if eye protection is required.	Provide enough water for emergency eye flushing. One pint of water in a portable container must be available to each handler if eye protection is required.
Emergency Assistance		
Emergency Assistance	Provide prompt transportation to medical facility. Promptly provide the SDS, product information (name, EPA Reg No and active ingredient) and circumstances of exposure to treating medical personnel.	Provide prompt transportation to medical facility and provide any obtainable information about the product, antidote, first aid, and circumstances of exposure to the worker/handler or treating medical personnel.
Definitions		
Immediate Family	Expand to also include all in-laws, grandparents, grandchildren, aunts, uncles, nieces, nephews and first cousins.	Includes spouse, parents, stepparents, foster parents, children, stepchildren, foster children, brothers, and sisters.
Enclosed space production	New definition: enclosed space production that is indoors or in a structure or space that is covered in whole or in part by any nonporous covering and that is large enough to permit a person to enter.	Greenhouse means an operation inside any structure or space that is enclosed with nonporous covering and that is of sufficient size to permit worker entry.
Employ	Employ means to obtain, directly or through a labor contractor, the services of a person in exchange for a salary or wages, including piece-rate wages, without regard to who may pay or who may receive the salary or wages. It includes obtaining the services of a self-employed person, an independent contractor, or a person compensated by a third party.	No definition of "employ" in existing rule. Definitions of "agricultural employer" and "handler employer" covered aspects of what types of employment covered.

Extending the Information. A Year into the Efficient Vineyard Project

A lot has happened in the first year of the USDA/NIFA Specialty Crop Research Initiative Project. The project team met in March 2016 at the Cornell Lake Erie Research and Extension Laboratory in Chautauqua County, NY to, not only plan for the upcoming growing season, but to also assist the Technology Adoption and Outreach team in developing a project brand. After much discussion, the project was given the moniker “Efficient Vineyard”.

While there has been a lot of great research conducted during the first year of the Efficient Vineyard project by the project participants, it would mean little if the results were not made available to those who would be implementing the variable rate practices in their vineyard operations. This is where the Technology Adoption and Outreach group comes in.

Since the project is being carried out over a very large geographical area (from New York and Pennsylvania to California), a logo was developed to pull all areas of the project together in an



easily identifiable project “brand” and a website, <https://www.efficientvineyard.com/> was developed to ensure current project information was available to project team members, project cooperators, project funders

and those across the United States who are interested in the implementable aspects of the project.

A survey was conducted at the beginning of the project to assist in determining the baseline knowledge of the project, current use of spatial data and variable rate management in vineyards and how end users would prefer to receive project information. The survey was presented at grower meetings in California, New York and Pennsylvania and as a web-based instrument for members of the grape industry across the US. Members of the Efficient Vineyard Advisory committee were invited to participate in the survey as well. Results of the survey along with an executive summary can be found under “**Outreach**” on the Efficient Vineyard website.

Efficient Vineyard project director, Dr. Terry Bates, Cornell University, put together a presentation providing an overview of the progress that has been made in the first year in all aspects of the project including Project Oversight, Precision Sensing, Spatial Data Technology, Differential Vineyard Management, Economic Evaluation and Assessment and Technology Adoption and Outreach. This presentation can be found under “**Current Research**” on the Efficient Vineyard website.



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Jared Mosier
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jmosier1@gmail.com
 7653 Dutton Rd.
 Harborcreek, PA 16421

LERGP Website Links of Interest:



Cornell Lake Erie Research & Extension Laboratory Facebook page
<https://www.facebook.com/Cornell-Lake-Erie-Research-and-Extension-Laboratory-678754995584587/?fref=ts>

SCRI project web-site:
<https://www.efficientvineyard.com/>

Table for: Insecticides for use in NY and PA:
<http://lergp.cce.cornell.edu/submission.php?id=69&crumb=ipm|ipm>

Crop Estimation and Thinning Table:
http://nygpadmin.cce.cornell.edu/pdf/submission/pdf65_pdf.pdf



Appellation Cornell Newsletter Index:
<http://grapesandwine.cals.cornell.edu/cals/grapesandwine/appellation-cornell/>

Veraison to Harvest newsletters:
<http://grapesandwine.cals.cornell.edu/cals/grapesandwine/veraison-to-harvest/index.cfm>

Go to <http://lergp.cce.cornell.edu/> for a detailed calendar of events, registration, membership, and to view past and current Crop Updates and Newsletters.

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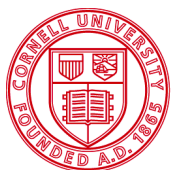
This publication may contain pesticide recommendations. Changes in pesticide regulations occur constantly, and human errors are still possible. Some materials mentioned may not be registered in all states, may no longer be available, and some uses may no longer be legal. Questions concerning the legality and/or registration status for pesticide use should be directed to the appropriate extension agent or state regulatory agency. Read the label before applying any pesticide. Cornell and Penn State Cooperative Extensions, and their employees, assume no liability for the effectiveness or results of any chemicals for pesticide usage. No endorsements of products are made or implied.

Cornell University Cooperative Extension provides equal program and employment opportunities.

Contact the Lake Erie Regional Grape Program if you have any special needs such as visual, hearing or mobility impairments.

CCE does not endorse or recommend any specific product or service.

THE LAKE ERIE REGIONAL GRAPE PROGRAM at CLEREL
6592 West Main Road
Portland, NY 14769
716-792-2800



Cornell University
Cooperative Extension



College of
Agricultural
Sciences

Sample Partnership Agreement

THIS PARTNERSHIP AGREEMENT is made this _____ day of _____

20____, by and between Partner 1 and Partner 2.

Explanatory Statement

The parties hereto desire to enter into the business of purchasing, acquiring, operating, leasing, owning and selling Grape acreage and other specialty crop(s), including but not limited to that certain parcel of land, and all improvements constructed thereon, described as [specify address] and engaging in any other lawful phase or aspect of viticulture or specialty crop agriculture. In order to accomplish their aforesaid desires, the parties hereto desire to join together in a general partnership under and pursuant to the Uniform Partnership Act, amended from time to time (the "Act").

NOW THEREFORE, in consideration of their mutual promises, covenants, and agreements, and the Explanatory Statement, which Explanatory Statement is incorporated by reference herein and made a substantive part of this Partnership Agreement, the parties hereto do hereby promise, covenant and agree as follows:

Section 2. Principal Place of Business

The principal office and place of business of the Partnership (the "Office") shall be located at _____.

Section 3. Business and Purpose

The business and purposes of the Partnership are to manage, and operate, grape vineyards. (the "Vineyards"), or interest therein, including but not limited to that certain parcel of land and such other businesses and purposes as the Partners may from time to time determine in accordance with Section 8 of this Agreement.

Section 4. Term

The Partnership shall commence upon the date of this Agreement, as set forth above. Unless sooner terminated pursuant to the further provisions of this Agreement, the Partnership shall continue without defined term.

Section 5. Capital Contribution

5.1. The original capital contributions to the Partnership of each of the Partners shall be

made concurrently with their respective execution, acknowledgement, sealing and delivery of this Agreement in the following dollar amounts set forth after their respective names:

Partner 1: Capital contribution includes his existing grape acreage as of _____, 20____. Grape acreage is estimated, with a ____% margin of error, at _____ acres valued at approximately _____. An additional cash capital contribution of \$_____ will also be made. Capital contribution does not include any equipment, buildings, or open land.

Partner 2: Capital contribution is \$_____ to be financed by Partner 1 or another lender.

5.2. Except as specifically provided in this Agreement, or as otherwise provided by and in accordance with law to the extent such law is not inconsistent with this Agreement, no Partner shall have the right to withdraw or reduce his or her contributions to the capital of the Partnership.

Section 6. Profit and Loss

6.1. The percentages of Partnership Rights and Partnership Interest of each of the Partners shall be as follows:

Partner 1: _____%

Partner 2: _____%

6.2. Except as provided in Section 7.3. of this Agreement, for purposes of Sections 702 and 704 of the Internal Revenue Code of 1954, or the corresponding provisions of any future federal internal revenue law, or any similar tax law of any state or jurisdiction, the determination of each Partner's distributive share of all items of income, gain, loss, deduction, credit or allowance of the Partnership for any period or year shall be made in accordance with, and in proportion to, such Partner's percentage of Partnership Interest as it may then exist.

Section 7. Distribution of Profits

7.1. Generally, gross cash distribution in proportion to Partners percentages of partnership interest, will be made based on the scheduled payments of processors or within 60 days of payments being made.

7.2 Generally, operating expenses will be shared at the time those expenses are realized in proportion to Partners percentages of partnership interest. While each

purchase will not require an accounting of partnership interest, reimbursement to the payor, based on share, will be resolved every ____ days.

7.3 Exception to section 7.2: Partner 2 will not be responsible for any operating expenses for the first ____ years. His share of expenses during that time will be limited to his capital contribution payments.

Section 8. Management of the Partnership Business

8.1. All decisions respecting the management, operation and control of the Partnership business and determination made in accordance with the provisions of this Agreement shall be made based upon a majority share of the partnership in favor of the decision. Majority owner Partner 1 has the full intention of increasing the responsibility and stake of Partner 2's management, operation and control of the Partnership. Succession of such powers will take place, at first on a day to day basis. Later, based on performance, a management agreement will be incorporated into this Partnership.

8.2. Nothing herein contained shall be construed to constitute any Partner or the agent of another Partner, except as expressly provided herein, or in any manner to limit the Partnership to the carrying on of their own respective businesses or activities. Any of the Partners, or any agent, servant or employee of any of the Partners, may engage in and possess any interest in other businesses or ventures of every nature and description, independently or with other persons, whether or not, directly or indirectly, in competition with the business or purpose of the Partnership, and neither the Partnership nor any of the Partners shall have any rights, by virtue of this Agreement or otherwise, in and to such independent ventures or the income or profits derived therefrom, or any rights, duties or obligations in respect thereof.

8.3. The Partners shall devote to the conduct of the Partnership business so much of their respective time as may be reasonably necessary for the efficient operation of the Partnership business. That will include a significant amount of time during harvest in order to secure the use of Partner 1's custom harvest equipment and other equipment owned by Partner 1 for Partnership use during the growing season. At this time both partners expect to contribute approximately _____ hours annually. To the extent that partners cannot devote adequate time to the business due to health, outside ventures, jobs or other reasons said partner will be responsible for finding replacement labor and covering the costs of said labor.

Section 9. Salaries

Unless otherwise agreed by the Partners in accordance with Section 8 of this Agreement, no Partner shall receive any salary for services rendered to or for the Partnership. At the

discretion of majority partner the minority partner will be eligible to receive up to ____% of the total equity interest in the operation per year based on performance of the Partner and the Partnership. It is the intent of the majority partner to begin making this transfer after ____ years.

Section 10. Legal Title to Partnership Property

Legal title to the property of the Partnership shall be held in the name of or in such other name or manner as the Partners shall determine to be in the best interest of the Partnership. Without limiting the foregoing grant of authority, the Partners may arrange to have title taken and held in their own names or in the names of trustees, nominees or straw parties for the Partnership. It is expressly understood and agreed that the manner of holding title to property (or any part thereof) of the Partnership is solely for the convenience of the Partnership, and that all such property shall be treated as Partnership property subject to the terms of this Agreement.

Section 12. Fiscal Year Audits

This Partnership is the expansion of a small business built in family and trust. Records will be imperfect but maintained to current standards of the business. Audits would be impractical and expensive and rather than relying on outside auditors the partners will rely on themselves to fairly apportion expenses and profits.

Section 11. Banking

All revenue of the Partnership shall be deposited regularly in the Partners private savings and checking accounts at such bank or banks as shall be selected by the Partners. The Partners will not borrow any money by or on behalf of, the Partnership.

Section 13. Transfer of Partnership Interest and Partnership Rights

Except as otherwise provided in Sections 14, 15 and 16 hereof, no Partner (hereinafter referred to as the "Offering Partner") shall, during the term of the Partnership, sell, hypothecate, pledge, assign or otherwise transfer with or without consideration (hereinafter collectively referred to as a "Transfer") any part or all of his Partnership Interest or Partnership Rights in the Partnership to any other person (a "Transferee"), without first offering (hereinafter referred to as the "Offer") that portion of his Partnership Interest and Partnership Rights in the Partnership subject to the contemplated transfer (hereinafter referred to as the "Offered Interest") first to the Partnership, and secondly, to the other Partners, at a purchase price (hereinafter referred to as the "Transfer Purchase Price") and in a manner as follows:

13.1. The Transfer Purchase Price shall be ____% of the Appraised Value (as defined in

Section 18.1.) except that start up assistance shall be deducted from the appraised value until 2025. Start up assistance is valued at \$_____.

13.1.1. The Offer shall be made by the Offering Partner first to the Partnership by written notice (hereinafter referred to as the "Offering Notice). Within ____ days (hereinafter referred to as the "Partnership Notice"), whether or not the Partnership shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Partnership accepts the Offer to purchase the Offered Interest, the Partnership Notice shall fix a closing date not more than ____ days (hereinafter referred to as the "Partnership Closing Date") after the expiration of the Partnership Offer Period.

13.1.2. In the event the Partnership decides not to accept the Offer, the Offering Partner or the Partnership, at his or its election, shall, by written notice (hereinafter referred to as the "Remaining Partner Notice") given within that period (hereinafter referred to as the "Partner Offer Period") terminating ____ days after the expiration of the Partnership Offer Period, make the Offer of the Offered Interest to the other Partners, each of whom shall then have a period of ____ days (the "Partner Acceptance Period") after the expiration of the Partner Offer Period within which to notify in writing the Offering Partner whether or not he intends to purchase all but not less than all of the Offered Interest. If two (2) or more Partners of the Partnership desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Partners shall have the right to purchase the Offered Interest in the proportion which their respective percentage of Partnership Interest in the Partnership bears to the percentage of Partnership Interest of all of the Partners who desire to accept the Offer. If the other Partners intend to accept the Offer and purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than ____ days after the expiration of the Partner Acceptance Period (hereinafter referred to as the "Partner Closing Date").

13.2. The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Partnership closing date or on the Partner Closing date, as the case may be, unless the Partnership or the purchasing Partners shall elect prior to or on the Partnership Closing Date or the Partner Closing Date, as the case may be, to purchase such Offered Interest in installments pursuant to the provisions of Section 19.

13.3. If the Partnership or the other Partners fail to accept the Offer or, if the Offer is accepted by the Partnership or the other Partners and the Partnership or the other Partners fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified in this Section 13, then the Offering Partner shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of ____ days from the occurrence of such failure, to transfer the Offered Interest shall be liquidated

based on the following method. To transfer interest to a third party the Partners will agree on which parcel or parcels of grape acreage should be liquidated. To the extent possible the liquidation will be limited to whole parcels totaling the offered interest. Either Partner has the right to reject liquidation of a partial parcel. Partner 1 has the right to reject the liquidation of _____.

13.4. No transfer made pursuant to this Section 13 shall dissolve or terminate the Partnership or cause the Partnership to be wound-up, but instead, the business of the Partnership shall be continued as if such Transfer had not occurred.

Buy Sell Agreement

The parties agree to enter into a buy/sell agreement to effect purchase of the deceased Partner's share upon such Partner's death, to be funded by life insurance policies.

Section 15. Purchase Upon Bankruptcy or Retirement

15.1. Upon the Bankruptcy or Retirement from the Partnership of any Partner (the "Withdrawing Partner"), the Partnership shall neither be terminated nor wound-up, but, instead, the business of the Partnership shall be continued as if such Bankruptcy or Retirement, as the case may be, had not occurred, and the Partnership shall purchase and the Withdrawing Partner shall sell all of the Partnership Interest and Partnership Rights (the "Withdrawing Partner's Interest") owned by the Withdrawing Partner in the Partnership on the date of such Bankruptcy or retirement (the "Withdrawal Date"). The Partnership shall, by written notice addressed to the Withdrawing Partner or to the legal representative of a bankrupt Partner, fix a closing date for such purchase which shall be not less than ____ days after the Withdrawal Date. The Withdrawing Partner's Interest shall be purchased by the Partnership on such closing date at a price (the "Withdrawing Purchase Price"), which shall be ____% Appraised Value less the startup assistance of \$_____ (as defined in Section 18.1 of this Agreement.)

15.2. The aggregate dollar amount of the Withdrawing Purchase Price shall be payable in cash on the closing date, unless the Partnership shall elect prior to or on the closing date to purchase the Withdrawing Partner's Interest in installments as provided in Section 19 of this Agreement.

Section 16. Certain Further Events Giving Rights to Purchase Option

16.1. In the event that any Partner (the "Defaulting Partner"):

16.1.1. Shall have filed against him any tax lien respecting all or substantially all of his property and such tax lien shall not be discharged, removed or bonded within ____ days of the date on which it was filed; or

16.1.2. Shall subject his Partnership Interest or Partnership Rights or any part thereof or interest therein to a charging order entered by any court of competent jurisdiction; then, immediately upon the occurrence of either of said events (the "Occurrence Date"), the Partnership shall have the right and option, exercisable by written notice to the Defaulting Partner, within ____ days of the Occurrence Date, to purchase from the Defaulting Partner, who shall sell to the Partnership, all of the Partnership Interest and Partnership Rights (the "Defaulting Partner's Interest") owned by the Defaulting Partner in the Partnership on the Occurrence Date. The Partnership shall, by written notice delivered to the Defaulting Partner or his successors, fix a closing date for such purchase, which shall be not less than ____ days after the Occurrence Date, but in no event longer than ____ days after the Occurrence Date. The Defaulting Partner's Interest shall be purchased by the Partnership on such closing date at a price (the "Defaulting Partner's Purchase Price"), which shall be the Value (as defined in Section 18.1 of this Agreement).

16.2. The aggregate dollar amount of the Defaulting Partner's Purchase Price shall be payable in cash on the closing date, unless the Partnership shall elect prior to or on the closing date to purchase the Defaulting Partner's Interest in installments as provided in Section 19 of this Agreement.

Section 17. Certain Tax Aspects Incident to Transactions Contemplated by this Agreement

It is the intention of the parties that the Transfer Purchase Price, the Decedent Purchase Price, the Withdrawing Purchase Price and the Defaulting Partner's Purchase Price shall constitute and be considered as made in exchange for the interest of the retired Partner in Partnership property, including good will, within the meaning of Section 736(b) of the Internal Revenue Code of 1954, as amended.

Section 18. The Appraised Value

18.1. The term "Appraised Value" as used in this Agreement shall be the dollar amount equal to the product obtained by multiplying (a) the percentage of Partnership Interest and Partnership Rights owned by a Partner by (b) the Fair Market Value of the Partnership's assets, as determined in accordance with Section 18.2.

18.2. The Fair Market Value of the Partnership's assets shall be determined in the following manner:

18.2.1. Within ____ days of the date of the Offering Notice, date of the death of a Decedent, the Withdrawal Date or the Occurrence Date, as the case may be, the remaining Partners shall select an appraiser (the "Partnership Appraiser") to determine

the Fair Market Value of the Partnership's assets, and the Partnership Appraiser shall submit his determination thereof within ____ days after the date of his selection (the "Appraisal Due Date").

18.2.2. If the appraisal made by Partnership Appraiser is unsatisfactory to the Offering Partner, the personal representatives of the Decedent or Heir, the Withdrawing Partner or the Defaulting Partner, as the case may be, then within ____ days after the date of the Appraisal Due Date, the Offering Partner, the personal representatives of the Decedent or Heir, the Withdrawing Partner or the Defaulting Partner, as the case may be, shall select an appraiser (the "Partner's Appraiser") to determine the Fair Market Value of the Partnership's assets, and such appraiser shall submit his determination thereof within ____ days after the date of his selection.

18.2.3. If the appraisal made by the Partner's Appraiser is unsatisfactory to the remaining Partners, then the Partnership Appraiser and the Partner's Appraiser shall select a third appraiser (the "Appraiser") to determine the Fair Market Value of the Partnership's assets and such Appraiser shall submit his determination thereof within ____ days after the date of his selection. The Appraiser's determination thereof shall be binding upon the Partnership, the remaining Partners and the Offering Partner, the personal representatives of the Decedent or Heir, the Withdrawing Partner or the Defaulting Partner, as the case may be.

18.3. Any and all appraisers selected in accordance with the provisions of this Section 18 shall be Chautauqua County area appraisers, who shall conduct appraisals provided for in this Section 18 in accordance with generally accepted appraising standards.

18.4 Cost of the Partnership Appraiser shall be borne by the partnership; costs of the Partner's Appraiser shall be borne by the Partner or his estate. Cost of the Appraiser shall be borne equally by the remaining Partners, and the Offering partner, the personal representatives of the Decedent or Heir, the Withdrawing or the Defaulting Partner, as the case may be.

Section 19. Installment Payments

19.1. In the event that there shall be an election pursuant to the provisions of Sections 13.2, 14.2, 15.2 or 16.2 hereof to purchase (the Partner or the Partnership so purchasing shall be hereinafter, where appropriate, referred to as the "purchasing person", the Offering Partner's interest, the Decedent's Interest, the Withdrawing Partner's Interest or the Defaulting Partner's Interest, as the case may be (hereinafter where appropriate, referred to as the "Interest")), on an installment basis, then the terms and conditions of such installment purchase shall be as set forth in Section 19.1.1 and Section 19.1.2 in the case of an election pursuant to Section 13.2 or Section 14.2 and as set forth in

Section 19.1.2 and Section 19.1.3 in the case of an election pursuant to Section 15.2 or Section 16.2 hereof.

19.1.1. XXX (XX%) of the Aggregate Purchase Price due for such Interest (hereinafter, where appropriate, referred to as the "Aggregate Purchase Price") shall be paid on the closing date; and

19.1.2. The remainder of the Aggregate Purchase Price shall be paid in XX (XX) equal consecutive annual installments on each anniversary of the closing date over a period, beginning with the year following the calendar year in which the sale occurred (hereinafter referred to as the "Installment Payment Period").

19.1.3. XXX (XX%) of the Aggregate Purchase Price due for such Interest (hereinafter, where appropriate, referred to as the "Special Aggregate Purchase Price") shall be paid on the closing date; and

19.1.4. The remainder of the Special Aggregate Purchase Price shall be paid in XX (XX) equal consecutive annual installments on each anniversary of the closing date over a period, beginning with the year following the calendar year in which the date occurred (hereinafter referred to as the "Special Installment Payment Period").

19.1.5. Anything contained in this Section 19 to the contrary notwithstanding, the entire unpaid balance of the Aggregate Purchase Price and Special Aggregate Purchase Price shall become immediately due and payable upon the sale, exchange, transfer or other disposition of all or substantially all of the Property or assets of the Partnership.

19.1.6. The purchasing person shall pay interest at a rate equal to the Consumer Price Index on each anniversary of the closing date during the Installment Payment Period or Special Installment Payment Period, as the case may be.

19.2. So long as any part of the Aggregate Purchase Price or Special Aggregate Purchase Price remains unpaid, the Partners shall permit the Offering Partner, the personal representatives of the Decedent or the Heir, the Withdrawing Partner (or the legal representative of the Withdrawing Partner in the event of the bankruptcy of the Withdrawing Partner) or the Defaulting Partner, as the case may be, and the attorneys and accountants of each of the foregoing persons, to examine the books and records of the Partnership and its business following the event that shall have given rise to the election referred to in Section 19.1 hereof during regular business hours from time to time upon reasonable prior notice and to receive copies of the annual accounting reports and tax returns of the Partnership.

Section 20. Delivery of Evidence of Interest

On the closing date, upon payment of the Aggregate Purchase Price for the purchase of the Interest hereunder or, if payment is to be made in installments pursuant to the provisions of Section 19 hereof, upon the first payment, the Offering Partner, the Withdrawing Partner, the personal representative of the Withdrawing Partner (in the event of the bankruptcy of the Withdrawing Partner) or the Defaulting Partner, as the case may be, shall execute, acknowledge, seal and deliver to the purchasing person such instrument or instruments of transfer to evidence the purchase of the Interest (the "Instrument of Transfer") that shall be reasonably requested by counsel to the purchasing person in form and substance; reasonably satisfactory to such counsel. If a tender of the Aggregate Purchase Price or Special Aggregate Purchase Price or, if payment is to be made in installments pursuant to the provisions of Section 19.1 hereof, the tender of the first payment thereof, shall be refused, or if the Instrument of Transfer shall not be delivered contemporaneously with the tender of the Aggregate Purchase Price or Special Aggregate Purchase Price or of the first payment thereof, as aforesaid, then the purchasing person shall be appointed, and the same is hereby irrevocably constituted and appointed the attorney-in-fact with full power and authority to execute, acknowledge, seal and deliver the Instrument of Transfer.

Section 21. Family Members

For purposes of this Agreement, members of the "immediate family" of a Partner are hereby defined to be such person's spouse or children.

Section 22. Notices

Any and all notices, offers, acceptances, requests, certifications and consents provided for in this Agreement shall be in writing and shall be given and be deemed to have been given when personally delivered against a signed receipt or mailed by registered or certified mail, return receipt requested, to the last address which the addressee has given to the Partnership. The address of each partner is set under his signature at the end of this Agreement, and each partner agrees to notify the Partnership of any change of address. The address of the Partnership shall be its principal office.

Section 23. Governing Law

It is the intent of the parties hereto that all questions with respect to the construction of this Agreement and the rights, duties, obligations and liabilities of the parties shall be determined in accordance with the applicable provisions of the laws of the State of New York.

Section 24. Miscellaneous Provisions

24.1. This Agreement shall be binding upon, and inure to the benefit of, all parties hereto,

their personal and legal representatives, guardians, successors, and their assigns to the extent, but only to the extent, that assignment is provided for in accordance with, and permitted by, the provisions of this Agreement.

24.2. Nothing herein contained shall be construed to limit in any manner the Partners, or their respective agents, servants, and employees, in carrying on their own respective businesses or activities.

24.3. The Partners agree that they and each of them will take whatever action or actions as are deemed by counsel to the Partnership to be reasonably necessary or desirable from time to time to effectuate the provisions of intent of this Agreement, and to that end, the Partners agree that they will execute, acknowledge, seal and deliver any further instruments or documents which may be necessary to give force and effect to this Agreement or any of the provisions hereof, or to carry out the intent of this Agreement, or any of the provisions hereof.

24.4. Throughout this Agreement, where such meanings would be appropriate: (a) the masculine gender shall be deemed to include the feminine and the neuter and vice-versa, and (b) the singular shall be deemed to include the plural, and vice-versa. The headings herein are inserted only as a matter of convenience and reference, and in no way define, limit or describe the scope of this Agreement, or the intent of any provisions thereof.

24.5. This Agreement and exhibits attached hereto set forth all (and are intended by all parties hereto to be an integration of all) of the promises, agreements, conditions, understandings, warranties and representations, oral or written, express or implied, among them other than as set forth herein.

24.6. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. In the event there is any conflict between any provision of this Agreement and any statute, law, ordinance or regulation contrary to which the Partners have no legal right to contract, the later shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to conform with said requirement of law. In the event that any part, article, section, paragraph or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account thereof, and the balance of this Agreement shall continue in full force and effect.

24.7. Each married party to this Agreement agrees to obtain the consent and approval of his or her spouse, to all the terms and provisions of this Agreement; provided, however, that such execution shall be for the sole purpose of acknowledging such spousal consent and approval, as aforesaid, and nothing contained in this Section 24.7 shall be deemed to have constituted any such spouse a Partner in the Partnership.

24.8. Each partner agrees to insert in his Will or to execute a Codicil thereto directing and authorizing his personal representatives to fulfill and comply with the provisions hereof and to sell and transfer his percentage of Partnership Interest and Partnership Rights in accordance herewith.

24.9. The Partnership shall have the right to make application for, take out and maintain in effect such policies of life insurance on the lives of any or all of the Partners, whenever and in such amounts as the Partners shall determine in accordance with Section 8 of this Agreement. Each Partner shall exert his best efforts and fully assist and cooperate with the Partnership in obtaining any such policies of life insurance.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals and acknowledged this Agreement as of the date first above written.