

MEMORANDUM

From John Nieuwenburg, General Manager Date October 8, 1996
To Honourable Ujjal Dosanjh, Attorney General
Subject **APPOINTMENT PROPOSAL: WINE STORE**

The British Columbia Wine Institute (BCWI) has requested approval to establish a new wine store in Penticton for the sale of VQA wines.

The proposed retail store in Penticton is based on governments approval of recommendations made by the Wine and Grape Strategic Planning Committee to allow the expansion of retailing outlets for VQA wines in tourist locations throughout B.C.

Since construction of the new site will not begin until May 1997, the BCWI have requested that a temporary wine store site be approved until such time that the new site is completed.

The new site and temporary store location has received approval from the Deputy Ministers office, Liquor Control and Licensing Branch and local governments concerned; a briefing note signed by the Deputy Minister is provided for your reference.

Based on the approvals noted the branch recommends a one year appointment term.

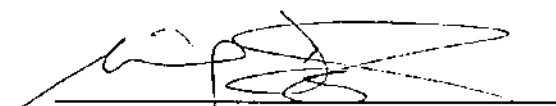
Please indicate your approval by signing this memorandum in the space below, and by signing the certificate of appointment and letter to the agent.

Please return these documents to the branch for distribution once signed.


John Nieuwenburg

Enclosures

Pursuant to Ss. 8(5) of the Liquor Distribution Act and considering that the public will be better served, I hereby appoint the British Columbia Wine Institute as an agent at the temporary location noted, and for the term specified, provided that they enter into and adhere to the appropriate agency agreement.


Honourable Ujjal Dosanjh
Attorney General

Oct 8/96
Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V6M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

November 20, 1996

Mr. H. McWatters, Director
British Columbia Wine Institute
#5 - 1864 Spall Road
Kelowna, British Columbia
V1Y 4R1

Dear Harry:

Re: British Columbia Wine Institute Store Agreement

I am pleased to enclose a fully executed copy of the British Columbia Wine Institute Store Agreement which has now been signed by the General Manager, Liquor Distribution Branch.

Also, I am providing a supply of forms and envelopes required for statistical reporting and request that they be forwarded to the person at the Institute who will be completing and submitting the forms at each period end on behalf of the wine store. Additional supplies of the forms and envelopes may be ordered from Mr. Phil Campbell at (604) 252-3170.

Your cooperation during the appointment process has been appreciated and I wish you every success in your new endeavour.

Yours truly,

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs

Enclosures

cc: Mr. P. Campbell, LDB

BRITISH
COLUMBIA
WINE
INSTITUTE



MEMO TO: ALL WINERIES
FROM: CHRISTINE COLETTA - BCWI
DATE: OCTOBER 15, 1996
RE: **BC WINE INFORMATION CENTRE WINE STORE**

As you are aware, the provincial government granted the rights to several "grandfathered" wine store licenses to the British Columbia Wine Institute. This agreement was announced by the Ministry of Agriculture in 1995.

The first of these stores has been opened in the temporary BC Wine Information Centre that is located at the Ramada Court in Penticton (1050 West Eckhardt Ave.). The BCWI holds the license for this store and has sub-contracted the operating of the store to the BC Wine Information Centre Society, a non-profit organization. The centre and store will be managed by Charmian Hardardt and her assistant Theresa Campbell. The store was officially opened on October 12th.

The wine store license came together very quickly and product had to be ordered at the last minute in order to stock the store for opening. Many thanks to the wineries who responded to this request. Many of you had questions as to how to handle the inventory and sale of the product to the wine store. Please see the attached memo from the BCLDB.

The wine store, by way of their license is restricted to selling VQA wines. The store manager will endeavor to carry as many VQA wines as possible. We urge you to contact Charmian at (604)490-2006 to discuss products that you have available for the store.

If you have any further questions, please contact me at (604)986-0440.

Chness

1193 WEST 31RD STREET
NORTH VANCOUVER, B.C.
CANADA V7P 2M2
PHONE 604-986-0440
FAX 604-986-2625

Halbauer & Company

Lawyers

L. D. HALBAUER, B.C., LL.B.
J.A. KIRBY, B.C., LL.B.
D.P. ROSS, B.Sc., LL.B.
I.M. McLENNAN, LL.B.

* LEGAL SERVICES PROVIDED BY A LAW CORPORATION

31926/JAR

October 7, 1996

B.C. Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC
V5M 3T5

Attention: Doug Brown

Dear Sir:

Re: Contract between the British Columbia Wine Information Society
(the "Society") and the B.C. Wine Institute (the "Institute")

I have been requested by Barry McWatters, one of the directors of the Society, to provide you with an opinion with respect to the Society's ability to enter into a contract with the B.C. Wine Institute with respect to the operation of the wine information Centre in Penticton, B.C. In this regard I confirm that I am the solicitor for the Society and that I have acted for the Society in connection with its incorporation.

In providing you with this opinion I have reviewed the Constitution and By-laws of the Society, together with a report from the Provincial Registrar of Companies with respect to the incorporation of the Society. Based on the foregoing I am of the opinion that:

1. The Society was duly incorporated under the laws of the Province of British Columbia on the 7th day of October, 1996 under incorporation number S-35951;
2. The Society has the power and capacity to enter into a contract with the B.C. Wine Institute for the operation of the Wine Information Centre in Penticton, B.C.

I trust that the foregoing is of assistance to you and if you require anything further please feel free to contact me.

Yours truly,

HALBAUER & COMPANY


John A. Kirby

JAX/tr

496 Main Street, Penticton, British Columbia V2N 5C5
Telephone: (604) 492-7225 Fax: (604) 492-7335

TOTAL P.02

EXAMPLE

General Manager
Liquor Distribution Branch
2625 Rupert Street
Vancouver, B.C.
V5M 3T5

Dear Sir:

**RE: SUBCONTRACT BETWEEN THE BRITISH COLUMBIA WINE INSTITUTE (BCWI)
AND THE BRITISH COLUMBIA WINE INFORMATION SOCIETY FOR THE
OPERATION OF WINE STORE #940**

We confirm that we are the subcontractor of the BCWI for the purpose of the operation of a wine store at 1050 West Eckhardt Avenue, Penticton, British Columbia.

We understand that the consent of the General Manager of the Liquor Distribution Branch to the subcontractor will be based on the following conditions and we confirm that:

- 1) the Attorney General may fully enforce his rights under the British Columbia Wine Institute Store Agreement between the Province and BCWI, against us (as agents of BCWI);
- 2) we will neither transfer any of our assets and/or business nor change our membership without the prior consent of the General Manager of the Liquor Distribution Branch; and
- 3) we are the agent of the BCWI and not the agent of the Attorney General or the General Manager with respect to the wine store.

Dated this _____ day of _____, 19 _____

The common seal of

was hereunto affixed in
the presence of:

Authorized signatory

Position

Authorized signatory

Position

c/s



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

October 10, 1996

VIA COURIER

Mr. H. McWatters, Vice Chair
British Columbia Wine Institute
c/o Sumac Ridge Estate Winery
Highway 97
Summerland, B.C.
V0H 1Z0

Dear Harry:

Re: British Columbia Wine Institute ("BCWI") Store Agreement

Based on our receipt of the appropriate documents for the establishment of a retail wine store at Penticton, I enclose three original copies of the British Columbia Wine Institute Store Agreement for your signature and return. Once the agreements have been signed by the General Manager, Liquor Distribution Branch, a copy will be provided for your records.

I enclose a letter to you from the Attorney General along with a Certificate of Appointment. Please have the retail Store manager display the certificate in a prominent area of the store.


Also, I enclose a copy of the Store Operating Procedures for your reference. The procedures are in draft form and may be subject to review and amendment, if necessary. The procedures were sent via fax to Chris Coletta at the Clarion Hotel, and I believe that she and the store staff will review them this morning.

Further, please provide a detailed floor plan of the retail store area (for attachment to the Agreement as Schedule "A") outlining shelving and/or display units, the tasting area and the location of the cash register.

If you have any questions concerning the completion of the agreement documents or the procedures please call me at 252-3039.

My best wishes for a successful venture.

Yours truly,



Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs

Enclosures

TOTAL P.18

-15-

90. This Agreement will not be amended, except as may be otherwise contemplated herein, unless the amendment is in writing and agreed to by all of the parties.

IN WITNESS WHEREOF, this Agreement is executed by the parties.

EXECUTED on behalf of Her Majesty
the Queen in Right of the Province
of British Columbia by her
authorized representative, the
General Manager of the Liquor
Distribution Branch

Witness for the General Manager

General Manager
Liquor Distribution Branch

EXECUTED by the authorized
signatory(ies) of the BCWI

WITNESS for the BCWI



Signature



Signature

Harry McWaters, Director
Chairman

Print Name and Title

38285 97th St. Oliver BC V4H 1T0

Address

Signature

Bernice Person

Occupation

Print and Name Title

EXAMPLE

General Manager
Liquor Distribution Branch
2625 Rupert Street
Vancouver, B.C.
V5M 3T6

Dear Sir:

RE: **SUBCONTRACT BETWEEN THE BRITISH COLUMBIA WINE INSTITUTE (BCWI)
AND THE BRITISH COLUMBIA WINE INFORMATION SOCIETY FOR THE
OPERATION OF WINE STORE #040**

We confirm that we are the subcontractor of the BCWI for the purpose of the operation of a wine store at 1050 West Eckhardt Avenue, Porticton, British Columbia.

We understand that the consent of the General Manager of the Liquor Distribution Branch to the subcontractor will be based on the following conditions and we confirm that:

- 1) the Attorney General may fully enforce his rights under the British Columbia Wine Institute Store Agreement between the Province and BCWI, against us (as agents of BCWI);
- 2) we will neither transfer any of our assets and/or business nor change our membership without the prior consent of the General Manager of the Liquor Distribution Branch; and
- 3) we are the agent of the BCWI and not the agent of the Attorney General or the General Manager with respect to the wine store.

Dated this 9 day of October, 19 96

The common seal of

BRITISH COLUMBIA WINE INFORMATION SOCIETY
was hereunto affixed in
the presence of:

[Signature]
Authorized signatory

President
Position

[Signature]
Authorized signatory

DIRECTOR
Position

c/s

TOTAL P.02
TOTAL P.02

THIS CONTRACT made this 9 day of OCTOBER, 1996

BETWEEN: The British Columbia Wine Institute

AND: The British Columbia Wine Information Society

The British Columbia Wine Institute agrees to have the British Columbia Wine Information Society operate it's Vintners' Quality Alliance license at the Ramada Courtyard Inn, 1050 W. Eckhardt Avenue, Penticton, British Columbia.


The British Columbia Wine Information Society agrees to:

- the terms and conditions as determined by the British Columbia Liquor Distribution Branch /British Columbia Wine Institute agreement
- 2% of the gross sales , less taxes to be paid to the British Columbia Wine Insitute as an administration fee
- that all sales by brand in total are reported to the British Columbia Wine Institute no later than the third working day after each B.C.L.D.B. accounting period.
- limit its selling to British Columbia VQA wines as approved by the British Columbia Wine Institute
- that all merchandising and marketing in-house or external must be approved by the British Columbia Wine Insititute
- purchase point of sale material as required from the British Columbia Wine Institute at cost

Per:


(Authorized Signatory)

Witness:


Address: RR1, 535A, C44, Summersland, B.C.

Occupation: BUSINESSMAN

MEMORANDUM

From John Nieuwenburg, General Manager Date October 8, 1996
To Honourable Ujjal Dosanjh, Attorney General
Subject **APPOINTMENT PROPOSAL: WINE STORE**

The British Columbia Wine Institute (BCWI) has requested approval to establish a new wine store in Penticton for the sale of VQA wines.

The proposed retail store in Penticton is based on governments approval of recommendations made by the Wine and Grape Strategic Planning Committee to allow the expansion of retailing outlets for VQA wines in tourist locations throughout B.C.

Since construction of the new site will not begin until May 1997, the BCWI have requested that a temporary wine store site be approved until such time that the new site is completed.

The new site and temporary store location has received approval from the Deputy Ministers office, Liquor Control and Licensing Branch and local governments concerned; a briefing note signed by the Deputy Minister is provided for your reference.

Based on the approvals noted the branch recommends a one year appointment term.

Please indicate your approval by signing this memorandum in the space below, and by signing the certificate of appointment and letter to the agent.


Please return these documents to the branch for distribution once signed.



John Nieuwenburg

Enclosures

Pursuant to Ss. 8(5) of the Liquor Distribution Act and considering that the public will be better served, I hereby appoint the British Columbia Wine Institute as an agent at the temporary location noted, and for the term specified, provided that they enter into and adhere to the appropriate agency agreement.



Honourable Ujjal Dosanjh
Attorney General

Oct. 8/96
Date



October 8, 1996

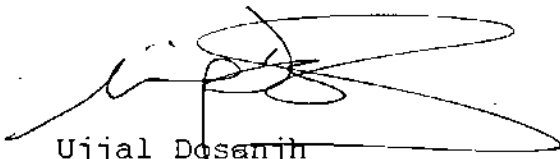
Mr. H. McWatters, Vice Chair
British Columbia Wine Institute
c/o Sumac Ridge Estate Winery
Highway 97
Box 308
Summerland, British Columbia
V0H 1Z0

Dear Mr. McWatters:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at their temporary wine store premises in Penticton.

This appointment provides for the sale of VQA products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to make those sales in accordance with established legislation and regulations. Their commitment to take up this responsibility is appreciated.

Yours sincerely,



Ujjal Dosanjh
Attorney General

Enclosures

**MINISTRY OF ATTORNEY GENERAL
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

ISSUE:

The B.C. Wine Institute is proposing to open a new wine store in Penticton during the wine festival (October 7, 1996).

MINISTRY'S SUGGESTED RESPONSE:

The government is committed to supporting the expansion of retail opportunities for VQA wines in major tourist locations in B.C.

Careful consideration has been given to the potential impact this retail outlet could have on existing liquor retail outlets, both government and private.

KEY POINTS:

- * The proposed site at the Ramada Courtyard Inn is temporary pending the completion of the Penticton Wine Centre (estimated July 1997).
- * The site is more than 1 km. from the nearest retail outlet.
- * The store will be restricted to selling VQA wines to retail customers. No revenue from these sales will accrue to the Liquor Distribution Branch (LDB).
- * There are two LDB stores in the Penticton area, three cold beer and wine stores and one brewery store. Retail sales of VQA wine from these locations on average account for less than 3% of their sales.

BACKGROUND:

One of the recommendations government received and approved from the Wine and Grape Strategic Planning Committee was to allow the expansion of retailing opportunities for VQA wines in major tourist locations throughout B.C.

The proposal for a retail store located in Penticton is the first site to be proposed under this initiative, which was announced by a MAFF news release on February 16, 1995.

CURRENT STATUS:

After on-going discussions a formal request to open a temporary wine store was made to the LDB on September 27, 1996.

The Wine Institute hopes to open the store before October 10, 1996, to achieve maximum media coverage.

The LDB expects to have an agreement ready for signature by October 7, 1996.

OTHER BRANCHES/MINISTRIES/GOVERNMENTS

Officials from the Ministry of Agriculture, Fisheries and Food have been advised of this proposal and are in support.

TIMELINES:

IMMEDIATE. If approval is given to proceed a Certificate of Appointment for a one year period will be forthcoming for signature effective October 8, 1996.

Approved

Not Approved

M. A. N. Oct 1/96
Date

Contact person: John Nieuwenburg
Telephone: 252-3021
Date: October 1, 1996

cc John Nieuwenburg

FAXED

TOTAL P.03

**MINISTRY OF ATTORNEY GENERAL
LIQUOR DISTRIBUTION BRANCH**

BRIEFING NOTE

ISSUE:

The Liquor Distribution Branch's preliminary approval of a site for the Penticton Wine Centre.

MINISTRY'S SUGGESTED RESPONSE:

The government is committed to supporting the expansion of retail opportunities for VQA wines in major tourist locations in B.C.

The quantity of Vinters Quality Assurance (VQA) wine sold in nearby liquor retail outlets is approximately three per cent of all wine sales.

A site recommendation was made to the City of Penticton after careful consideration of the potential impact this retail outlet could have on existing liquor retail outlets, both government and private.

KEY POINTS:

- * the centre is intended as a tourist location where people can find information about local vineyards and tours. Product sold in the store will be limited to B.C. VQA wines.
- * the site recommended by the LDB is more than one km from the nearest retail liquor outlet.
- * three sites were submitted for consideration to the LDB. The other two locations were rejected because of their potential impact on existing establishments.
- * the percentage of VQA wine sold in the area is low. VQA wine sales make up about three per cent of total sales in the area.
- * there are two LDB liquor stores in the Penticton area, three cold beer and wine stores and one brewery store.

BACKGROUND:

One of the recommendations government received and approved from the Wine and Grape Strategies Planning Committee was to allow the expansion of retailing opportunities for VQA wines in major tourist locations throughout B.C.

The proposal for a retail store located at a wine centre in Penticton is the first site to be proposed under this initiative, which was announced by a MAFF news release on February 16, 1996.

CURRENT STATUS:

Penticton City Council has approached the LDB with three potential sites for the wine centre. The LDB has indicated to council that it is prepared to give preliminary approval to the Trade and Convention centre site. The proposal will be discussed at the March 18, 1996 council meeting.

The BCGEU and organizations representing local wine and beer merchants may have concerns about the wine centre proposal and impacts they perceive it could have.

OTHER BRANCHES/MINISTRIES/GOVERNMENTS:

The Strategy Planning Implementation Committee will be made aware of this proposal at their next meeting via the Ministry of Agriculture, Fisheries and Food representative. The Strategy Planning Implementation Committee is a committee of wine industry representatives who work with government officials on the implementation of the Wine Industry's Strategic Plan.

TIMELINES:

The Penticton City Council is scheduled to discuss this matter at their next meeting, March 18, 1996.

Contact Person: Catherine Sloan
Telephone: 252-3054
Date: March 13, 1996



April 15, 1996

John Nieuwenburg
General Manager
BCLDB
2625 Rupert Street
Vancouver, BC
V5M 3T5

April 19/96
Day: FRI.
Good.

Dear John:

Thank you for meeting with the BCWI Executive and me to discuss issues concerning the British Columbia wine industry. To follow up on our discussion, I would like to address the following points:

1. The BCWI Board of Directors will discuss the concept of expanding the membership of the board at their next meeting which is scheduled for May 15th. The BCWI Executive supported the concept of a BCLDB representative and felt that Jay Chambers was the best candidate. Like other non-industry representatives on the BCWI Board, the position would be a non-voting one. Ian Tostenson will report the decision of the Board after the May 15th meeting.
- * { 2. The BCWI is moving forward to create a business plan for the development and implementation of the 12 retail store licenses that has been earmarked for VQA wines. We will report our progress on this project.
3. The BCWI has been sent the attached agreement from Diane Fontaine, Information and Privacy Coordinator, for the BCLDB. Diane is requesting that we do not release the information we are provided. The three areas of concern for the BCWI are:

1101 WEST 23RD STREET
NORTH VANCOUVER, B.C.
CANADA V7P 1J4
PHONE 604-866-2440
FAX 604-866-2625

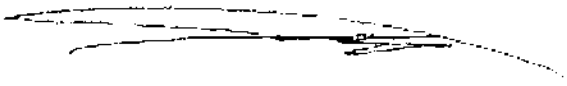
- a) We must report sales data in our Annual Report. We would like to use BCLDB data for this purpose. Attached is the format that we would release the information in.
- b) We are currently provided with VQA sales. Twice a year, we require total BC winery sales for the 12 month rolling period ending March 31st and September 30th.
- c) We use the data to collect VQA levies from our members. We are required to release this information to each winery to verify sales. Needless to say, their data never matches ours.
- d) Twice a year we release to all wineries VQA litre sales per winery.

I would appreciate you discussing these issues with Diane.

- 4. The BCWI is in the process of taking action against one of our member wineries who we suspect is in violation of the BC wine standards. The product concerned is not available through the BCLDB. We will keep you informed of our progress on this issue.

John, once again thank you for meeting with us to discuss these issues. We will keep you informed of our progress on specific projects and await your reply regarding the release of sales data supplied by the BCLDB to the BCWI.

Best Regards,



Christine Coletta
Executive Director
(604)986-0440

cc: BCWI Board of Directors



His Worship Mayor Jake Kimberley
The Corporation of the City of Penticton
171 Main Street
Penticton, British Columbia
V2A 5A9

Dear Mayor Kimberley:

Thank you for your letter of February 6, 1996, concerning the wine centre being proposed for the City of Penticton.

I understand that staff of the Liquor Distribution Branch (LDB) have discussed your proposal with your staff by telephone, and have provided them information about the procedures to be followed. However, for your benefit I will address these matters in writing.

1. Wine Centre Licensing

Over the past number of months this government has been working with all stakeholders on a strategic plan to help our wine industry prosper in the years ahead. One of the agreed upon initiatives was to allow additional retail opportunities to our local wine industry through agency appointments. We are therefore prepared to support this type of proposal assuming it meets the approval of the wine industry's strategic planning committee, and a suitable location can be determined.

The appointment process is normally completed within two weeks after all the necessary documentation has been received.

2. Liquor Distribution Branch Policy

Each location request is considered on an individual basis. While the 1.5 kilometre distance is only a guideline, the impact of any new outlet on an established trading area is of prime importance in our considerations. As a general rule there must be extenuating circumstances for this requirement to be waived.

His Worship Mayor Jake Kimberley
Page 2

3. Wine Tasting

Consumer tastings are allowed in a designated area of a retail store, on a no charge basis. In order for the LDB to consider a request to permit tastings at the wine centre, specific details should be provided for evaluation.

For your reference, the Liquor Control and Licensing Branch are in process of reviewing their regulations which apply to consumer tastings, and that issues may arise out of their review which may need to be addressed.

I hope this information will be of assistance to you. To obtain additional information, I would ask that you work with the officials at the LDB. Ms. Catherine Sloan, Acting Executive Director of Policy, Communications and Strategic Planning (252-3054), or Mr. Doug Browne, Manager, Special Retail Programs (252-3033), would be pleased to respond.

Yours truly,

Ujjal Dosanjh
Attorney General

cc: Ms. Catherine Sloan, LDB
Mr. Doug Browne, LDB



171 MAIN STREET
V2A 3A9

TEL: (604) 490-2400 FAX: (604) 490-2402

February 6, 1996

The Hon. Ujjal Dosanjh
Attorney General
Parliament Buildings
Victoria, B.C. V8V 1X4

Dear Mr. Minister:

Re: City of Penticton - Wine Centre

RECEIVED
OFFICE OF THE
ATTORNEY GENERAL
Barny
FEB 07 1996
PENTICTON
REFER TO MAIL ROOM
CC Gordon
March 18/96

Leo Denboer - City Clerk

The City of Penticton, Penticton Chamber of Commerce and Wine Industry are working together to find a suitable location for a wine centre in Penticton. Industry has proposed a number of activities at a wine centre including VQA wine retail sales, wine tasting, visitor information and public education. During the site selection process, three licensing issues have arisen, and we would appreciate your Ministry's help in clarifying the following:

1. Wine Centre Licensing

What procedure is required to either obtain a licence or agency appointment to sell VQA wines in a wine centre; and, approximately how long is the approval process for this special licence or agency appointment? We understand the Province has not increased the number of liquor licences or agency appointments since 1992. Will the Province amend this practice to allow for wine centre licensing or agency appointment?

2. Liquor Distribution Branch Policy

We understand the Liquor Distribution Branch will not approve an agency appointment within one to one-and-a-half kilometres of an existing retail liquor sales outlet. As a wine centre would market VQA wines only, support agri-tourism and expand retailing opportunities for the wine industry, we would like to know if the Province is flexible with this location requirement.

3. Wine Tasting

Is your Ministry able to accommodate wine tasting at a wine centre? What procedure is required to gain approval and how long is the approval process?

Page 2

The Hon. Ujjal Dosanjh

February 6, 1996

Over the next three weeks, our community is reviewing between 10-15 sites for a wine centre and we would very much appreciate your Ministry clarifying licensing requirements for such a facility. Our community is extremely keen on establishing the wine centre prior to the summer influx of visitors, and would very much appreciate your Ministry's advice on the probability of securing appropriate Provincial licensing or agency appointment approvals for a 1996 start-up.

If your staff would like more detail about our information request, I ask that they contact our Administrator, Mr. T. Wood at 490-2406.

Tim
I very much appreciate your Ministry's help in clarifying licensing requirements for a wine centre.

Yours truly,

THE CORPORATION OF THE CITY OF PENTICTON



Jake Kimberley
MAYOR

/s/h(0230.10\cha\info\dos)



FOR IMMEDIATE RELEASE

February 16, 1995

WINE AND GRAPE INDUSTRY GETS MAJOR BOOST

OLIVER - The provincial government demonstrated its support today for the growing B.C. wine industry with the introduction of new business opportunities and development funding.

In a three-pronged boost to the industry, the government unveiled a six-year, \$3-million industry development fund, introduced changes in regulations governing winery operations, and promoted expansion of the industry's retail opportunities.

Citing the importance of the grape and wine industry to a number of regions in the province, Agriculture Minister David Zirnheft said, "I anticipate that these initiatives will greatly enhance the industry's international profile and boost regional job opportunities.

The \$500,000 annual Quality Wine and Grape Industry Development Fund, to be cost-shared with industry, will increase employment, tourism and sales opportunities by providing marketing, promotion, research and industry development, said Tourism Minister Bill Barlee.

Changes to the Liquor Control and Licensing Act regulations will allow wineries to apply for a licence permitting the sale of wine by the glass and on-site food service, said Attorney General Colin Gabelmann.

The third initiative will allow the expansion of retailing opportunities for VQA wines in major tourist locations throughout B.C.

"Wineries are a terrific draw for tourists and a real economic generator for the region," said Okanagan-Penticton MLA Jim Beattie. "More than half the tourist inquiries at regional tourism bureaus are about wineries."

(more)

- 2 -

Beattie added, "With more than 160,000 visitors annually enjoying these tours and tastings in the region, the spin-off benefits of agri-tourism are substantial and increasing every year."

Today's announcements support the B.C. wine and grape industry's strategic plan, said Zirnheft. "They will lay the foundation for a more competitive wine industry over the next six years. The ministry will continue to work with industry to implement the second phase of its strategic plan," he said.

- 30 -

For further information, contact:

Cindy Stephenson
Director, Public Affairs
Ministry of Agriculture, Fisheries and Food
(604) 356-2862 (Victoria)

Christine McKnight
Director of Public Affairs
Ministry of Attorney General
(604) 387-0601 (Victoria)

Rick Stevens
Director of Tourism Industry Relations
Ministry of Small Business, Tourism and Culture
(604) 387-7924 (Victoria)



British Columbia Liquor Distribution Branch
2625 Rupert Street Vancouver
British Columbia
V5M 3T5

DATE: April 29, 1997

FROM:

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs

TO:

Mr. Manley McCorkell, Superintendent
Licensing & Law Enforcement
City of Kelowna

Fax: (604) 252-3044
Tel: (604) 252-3039

Fax: (250) 862-3314
Tel: (250)

NUMBER OF PAGES: 3
(including this page)

Sent copies of:

- Certificate*
- Letter from Mayor of Kelowna.*

(no longer the Mayor; City Council not aware of the appt. - had no input).

*- explained appt, etc. operating requirements, etc.
BCW1 - Kelowna sub-contractor*



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 2, 1997

VIA COURIER

Mr. Wayne Wilson, Curator
The Wine Museum
1304 Ellis Street
Kelowna, B.C.
V1Y 1Z8

Dear Mr. Wilson:

Re: Kelowna Wine Museum - VQA Wine Store #941


Further to our telephone conversation earlier today, and my receipt of the remaining documents relevant to the operation of a VQA Wine Store, this letter will confirm that operation of the wine store is in effect as of March 19, 1997.

I enclose a Certificate of Appointment; please ensure that the certificate is displayed in a prominent area of the wine store at all times.

I understand that a listing of those persons who may, on occasion be involved with the sale of wine products, will be forwarded to my attention.

Please call me if you require anything further. Good luck in your new location.

Yours truly,



Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs

Enclosure

cc: Mr. H. McWatters, British Columbia Wine Institute
Mr. P. Campbell, Supervisor, Data Management, LDB



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 2, 1997

Mr. Harry McWatters
Sumac Ridge Estate Winery
17403 Highway 97
P.O. Box 307
Summerland, B.C.
V0H 1Z0

Dear Harry:

Re: Kelowna Wine Museum - VQA Wine Store #941

I enclose for your reference a copy of my letter to the Kelowna Wine Museum, a copy of the Certificate of Appointment, and a letter to you from the Attorney General.

Schedule "A" - Site Plan 2 is also enclosed for attachment to your copy of the British Columbia Wine Institute Store Agreement.

Yours truly,

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs

Enclosures



January 20, 1997

Mr. H. McWatters, Vice Chair
British Columbia Wine Institute
c/o Sumac Ridge Estate Winery
Highway 97
Box 308
Summerland, British Columbia
V0H 1Z0

Dear Mr. McWatters:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located within the Kelowna Wine Museum.

This appointment provides for the sale of VQA products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to make those sales in accordance with established legislation and regulations. Their commitment to take up this responsibility is appreciated.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ujjal Dosanjh', is written over a horizontal line.

Ujjal Dosanjh
Attorney General

Enclosures

The Wine Museum

1304 Ellis Street • Kelowna, British Columbia V1Y 1Z8 • Phone 868-0441, Fax 769-5222

**The Wine Museum is a satellite facility of Kelowna Museum*

Mrs. Stephanie Watts
B. C. Liquor Distribution Branch
2625 Rupert St.,
Vancouver, B. C. V5M 3T5

March 25, 1997

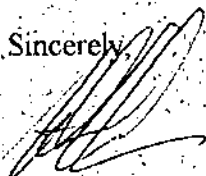
Dear Ms. Watts,

I am writing to thank you for your direction and help getting all of the paperwork in place for the wine license in our location. This I am enclosing with hopes it is all in order. Included here are:

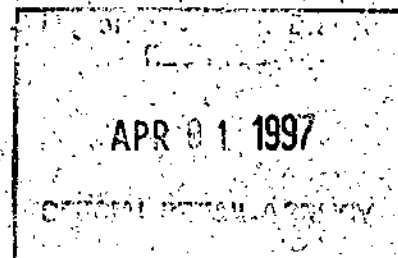
- Contract between B. C. W. I. and Kelowna Museum
- Sub-contract between B. C. W. I. and Kelowna Museum
- Legal opinion (letter) by our solicitor
- Amendment to our Constitution and By-laws
- Certificate of above changes.

If there is more information you require or additional documentation you need, please do not hesitate to call me.

Sincerely,



Wayne Wilson
Curator



WAGEMAN BAILEY

BARRISTERS & SOLICITORS

RICHARD L. WAGEMAN
MURRAY D. GLAZIER
DAVID L. POLLEY
KEVIN P. KINGSTON

DOUGLAS R. BAILEY
JACK R. MORRISON
ALAN R. PERRY
SUSAN GUY ANDREW

2nd Floor, 1674 Bertram Street,
KELOWNA, B.C., CANADA V1Y 9G4
TELEPHONE (250) 763-3343
FAX (250) 763-9524

March 21, 1997
File No.: 5808.001

B.C. Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC V5M 3T5

Attention: Mrs. Stephanie Watts

Dear Sirs/Mesdames:

**Re: British Columbia Wine Institute (BCWI)/
Kelowna Centennial Museum Association (KCMA)**

I have been requested by representatives of KCMA to provide an opinion with respect to the Association's ability to enter into an agreement as a subcontractor of BCWI to establish a Wine Store in Kelowna.

Please note our firm is not the registered office of KCMA and I have been retained for the limited purpose of providing this opinion.

In providing this opinion, I have reviewed the Constitution and By-Laws of KCMA, together with an on-line corporate search as of March 13, 1997 from the office of the Registrar of Companies. Based on the foregoing, I am of the opinion that:

1. KCMA was duly incorporated as a Society December 18, 1951 as No. S-14018;
2. KCMA as a result of a recent change in its constitution (see copy of Certificate issued March 11, 1997 enclosed) has the capacity to enter into a contract with BCWI for the establishment of a Wine Store situate in Kelowna at premises operated by KCMA;
3. KCMA is current with respect to the filing of annual reports with the Registrar of Companies as at the date of this letter.

B.C. Liquor Distribution Branch
March 21, 1997
Page 2

Enclosed for your reference, please find;

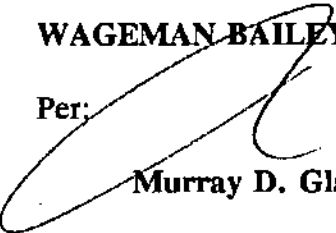
- a) A copy of a Resolution dated March 10, 1997 filed with the Registrar of Companies March 11, 1997, and;
- b) Copy of Certificate of Change in Constitution dated March 11, 1997.

Please refer to Section 2(d) of the Certificate of Change which specifically was included within the Society's purposes to allow for the wine store to function.

Yours very truly,

WAGEMAN BAILEY

Per:



Murray D. Glazier

MDG/gm

Encls.

cc Kelowna Centennial Museum Association
Attention: Wayne Wilson

WAGEMAN BAILEY

THIS CONTRACT made this 20th day of March, 1997

BETWEEN: The British Columbia Wine Institute

AND: Kelowna Centennial Museum Association (The Wine Museum)

The British Columbia Wine Institute agrees to have the Kelowna Centennial Museum Association (The Wine Museum) operate it's Vintner's Quality Alliance license at The Wine Museum, 1304 Ellis St., Kelowna, B.C., V1Y 1Z8

The Kelowna Centennial Museum Association (The Wine Museum) agrees to:

- the terms and conditions as determined by the British Columbia Liquor Distribution Branch/British Columbia Wine Institute agreement
- 2% of the gross sales, less taxes to be paid to the British Columbia Wine Institute as an administration fee
- that all sales by brand in total are reported to the British Columbia Wine Institute no later than the third working day after each B.C.L.D.B. accounting period.
- limit its selling to British Columbia VQA wines as approved by the British Columbia Wine Institute
- that all merchandising and marketing in-house or external must be approved by the British Columbia Wine Institute
- purchase point of sale material as required from the British Columbia Wine Institute at cost

Per: 
(Authorized Signatory)

Witness: 

Address: 764 Wilson Ave., Kelowna

Occupation: CURATOR



NUMBER: S- 4018

CERTIFICATE OF CHANGE IN CONSTITUTION

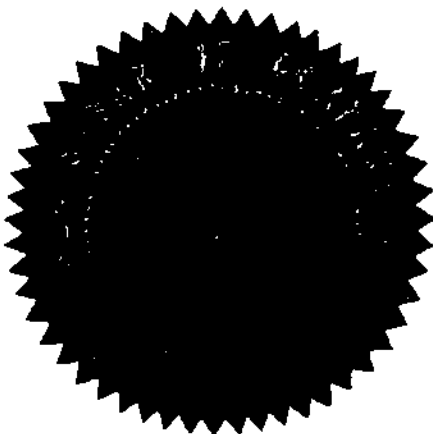
SOCIETY ACT

I Hereby Certify that **KELOWNA CENTENNIAL MUSEUM ASSOCIATION** has changed its constitution by changing its purposes to the following:

2.

- (a) To procure or erect a suitable building or buildings in the City of Kelowna in the Province of British Columbia for a Museum and Archives.
- (b) To collect, purchase, secure, catalogue, index, preserve, exhibit and interpret all relics, books, maps, documents, papers, works of art, and things of historical interest or value, specimens of rocks, ores and fossils, specimens of rocks, ores and fossils, specimens of art, work of craftsmanship of ethnological and cultural value, human or animal bones of more than usual interest, and specimens of the plants and trees.
- (c) To have the sites of ancient buildings or land-marks surveyed and the surveys recorded, and to erect monuments.
- (d) To sell products for profit including without limitation, alcoholic beverages, provided that such profit be used to fund the operating expenses of the Society pursuant to its purposes and pursuant to the Society Act of British Columbia.

*Issued under my hand and Seal of Office
at Victoria, British Columbia,
on March 11, 1997*



A handwritten signature in cursive script, reading "J. Powell".

JOHN S. POWELL
Registrar of Companies
PROVINCE OF BRITISH COLUMBIA
CANADA

FORM 10
(Section 66 and 67)

CERTIFICATE OF
INCORPORATION NO. 4018

SOCIETY ACT

I HEREBY CERTIFY THAT THIS IS A COPY
OF A DOCUMENT FILED WITH THE
REGISTRAR OF COMPANIES ON

COPY OF RESOLUTION

March 11 1997

W. A. Prout
FOR REGISTRAR OF COMPANIES
FOR THE PROVINCE OF BRITISH COLUMBIA

The following is a copy of:

- a special resolution passed in accordance with the by-laws of the Society on the 6th day of March, 1997:

"RESOLVED that the Constitution of the Society be amended as follows:

1. The purpose of the Society as set out in 2(b) be deleted and replaced with the following:

To collect, purchase, secure, catalogue, index, preserve, exhibit and interpret all relics, books, maps, documents, papers, works of art, and things of historical interest or value, specimens of rocks, ores and fossils, specimens of art, work of craftsmanship of ethnological and cultural value, human or animal bones of more than usual interest, and specimens of the plants and trees.

2. An additional purpose of the Society be added as 2(d) and read as follows:

To sell products for profit including without limitation, alcoholic beverages, provided that such profit be used to fund the operating expenses of the Society pursuant to its purposes and pursuant to the Society Act of British Columbia."

Dated the 10th day of March, 1997.

KELOWNA CENTENNIAL MUSEUM ASSOCIATION

By: 

Solicitor

(Relationship to Society)

MURRAY D. GLAZIER

General Manager
Liquor Distribution Branch
2625 Rupert Street
Vancouver, B.C. V5M 3T5

Dear Sir:

**RE: SUBCONTRACT BETWEEN THE BRITISH COLUMBIA WINE INSTITUTE
(BCWI) AND THE KELOWNA CENTENNIAL MUSEUM ASSOCIATION (THE WINE
MUSEUM) FOR THE OPERATION OF WINE STORE #941**

We confirm that we are the subcontractor of the BCWI for the purpose of the operation of a wine store at 1304 Ellis Street, Kelowna, British Columbia.

We understand that the consent of the General Manager of the Liquor Distribution Branch to the subcontractor will be based on the following conditions and we confirm that:

- 1) the Attorney General may fully enforce his rights under the British Columbia Wine Institute Store Agreement between the Province and BCWI, against us (as agents of BCWI);
- 2) we will neither transfer any of our assets and/or business nor change our beneficial shareholders without the prior consent of the General Manager of the Liquor Distribution Branch; and
- 3) we are the agent of the BCWI and not the agent of the Attorney General or the General Manager with respect to the wine store.

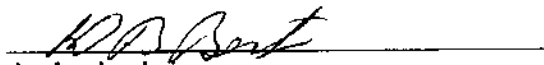
Dated this 20 day of MARCH, 19 97


Authorized signatory


Witness signature

DIRECTOR
Print Name and Title

4306 Hazel Rd.
Address


Authorized signatory

Consultant.
Occupation

D. B. BEST (PRESIDENT)
Print Name and Title



STORE # 941

Province of British Columbia

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE

operating the premises known as

KELOWNA WINE MUSEUM WINE STORE

located at

1304 ELLIS STREET

KELOWNA,

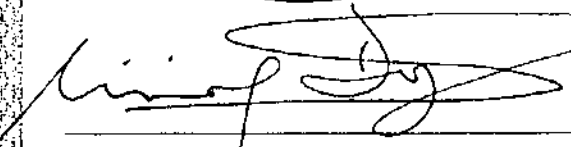
British Columbia, has been

appointed as an agent for the period commencing

FEBRUARY 1, 1997, until JANUARY 31, 1999,

pursuant to section 8(5) of the Liquor Distribution Act. The appointment is subject to the terms and conditions of the Agreement entered into between the Agent and the Province.




Honourable Ujjal Dosanjh
Attorney General



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

February 5, 1997

VIA FAX: (250) 494-3456
ORIGINAL TO FOLLOW VIA POST

Mr. H. McWatters
Sumac Ridge Estate Winery Ltd.
Box 307
Highway 97
Summerland, B.C., V0H 1Z0

Dear Harry:

Re: **BRITISH COLUMBIA WINE INSTITUTE WINE STORE AT KELOWNA**

I am writing further to our recent telephone conversation concerning the British Columbia Wine Institute's (BCWI) proposal to establish a wine store at the British Columbia Wine Museum (BCWM) in Kelowna, and I am pleased to confirm that the proposed location has been approved.

As we discussed further details will need to be provided prior to the store's opening, including:

- a signed copy of any operating contract between the BCWI and the BCWM;
- a signed subcontract letter by the BCWM in the form of the attached example;
- a detailed floor plan of the retail area outlining shelves/display units, tasting area and cash register; (the floor plan will be attached as Schedule A-1 to the BCWI's current Agreement)
- the name of the designated store manager and a list of all employees involved with the retail sale of wine;
- the store's hours and days of operation;
- the store's opening date; and
- the telephone number and mailing address (if different from the current BCWM address).

For the store manager's review, I enclose a copy of the Wine Store Operating Procedures.

Mr. H. McWatters
Page 2
February 5, 1997

In closing, please be reminded that we have not yet received a draft copy of the BCWI information overview for new applicants. A jointly prepared overview will need to be in place prior to the Liquor Distribution Branch (LDB) review of any future proposals.

If you have any questions please call me at (604) 252-3039.

Yours truly,

A handwritten signature in cursive script, appearing to read "Stephanie", with a long horizontal line extending from the end of the signature.

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs

Enclosures

cc: Inspector P. Huska, Kelowna
Mr. D. Browne
Mr. B. Cross

EXAMPLE

General Manager
Liquor Distribution Branch
2625 Rupert Street
Vancouver, B.C. V5M 3T5

Dear Sir:

**RE: SUBCONTRACT BETWEEN THE BRITISH COLUMBIA WINE INSTITUTE (BCWI)
AND THE BRITISH COLUMBIA WINE MUSEUM FOR THE OPERATION OF WINE
STORE #941**

We confirm that we are the subcontractor of the BCWI for the purpose of the operation of a wine store at 1304 Ellis Street, Kelowna, British Columbia.

We understand that the consent of the General Manager of the Liquor Distribution Branch to the subcontractor will be based on the following conditions and we confirm that:

- 1) the Attorney General may fully enforce his rights under the British Columbia Wine Institute Store Agreement between the Province and BCWI, against us (as agents of BCWI);
- 2) we will neither transfer any of our assets and/or business nor change our beneficial shareholders without the prior consent of the General Manager of the Liquor Distribution Branch; and
- 3) we are the agent of the BCWI and not the agent of the Attorney General or the General Manager with respect to the wine store.

Dated this _____ day of _____, 19 _____

Authorized signatory

Witness signature

Print Name and Title

Address

Authorized signatory

Occupation

Print Name and Title



MEMORANDUM

CHAJ31 / sig. 16.

From Jay Chambers, Acting General Manager
To Honourable Ujjal Dosanjh, Attorney General
Subject **APPOINTMENT PROPOSAL: VQA WINE STORE**

RECEIVED
Date January 24, 1997
ATTIC 94
JAN 28 1997

The British Columbia Wine Institute (BCWI) has requested approval to establish a VQA wine store in Kelowna.

RECEIVED
OTHER
ATON. FILE FILE INFO. RATION L

<u>Appointed Agent</u>	<u>Business Name</u>	<u>Location</u>	<u>Term</u>
British Columbia Wine Institute	Kelowna Wine Museum	1304 Ellis Street Kelowna	February 1, 1997 January 31, 1999

The proposed store will be the second VQA wine outlet to be established since governments approval of the Wine and Grape Strategic Planning Committee recommendation to allow expansion of retailing outlets for VQA wines in tourist areas.

A briefing package which describes the uniqueness of the Kelowna site has received approval of the Deputy Minister and is provided for your reference.

Based on the approvals received from the Deputy Minister, letters of support received from the City of Kelowna and the existing retailing outlets within the area, the Liquor Distribution Branch (LDB) recommends a two year appointment term.

Please indicate approval of this appointment by signing this memorandum in the space below, and by signing the enclosed certificate of appointment and letter to the agent.

Please return these documents to the branch for distribution once signed.

Approved by
Deputy Minister

Jay Chambers

Enclosures

Pursuant to Ss. 8(5) of the Liquor Distribution Act and considering that the public will be better served, I hereby appoint the British Columbia Wine Institute as an agent at the site noted, and for the term specified, provided that it enter into and adhere to the appropriate agency agreement.

Honourable Ujjal Dosanjh
Attorney General

JAN 29 1997

Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

TO: Maureen Maloney, Deputy Minister

January 16, 1997

FROM: Jay Chambers, Acting General Manager

SUBJECT: BCWI - Kelowna Wine Museum Wine Store Proposal

Based on governments approval of recommendations made by the Wine and Grape Strategic Planning Committee to allow the British Columbia Wine Institute (BCWI) the opportunity to establish a number of retailing outlets for VQA wines in tourist locations throughout British Columbia, the Liquor Distribution Branch (LDB) has received a second proposal for the establishment of a wine store at the Kelowna Wine Museum (KWM).

The KWM location is in close proximity (under 1 km) to a government liquor store, licensee retail store (LRS) and the Calona Winery on-site store, however, letters in support of the proposed wine store have been received from the General Manager of the LRS, Ian Tostenson, President of Calona Wines and the Mayor of Kelowna. A review of the site was conducted by the Liquor Distribution Branch (LDB) Area Manager. (Copies of support letters and the Area Managers review are attached for your reference.)

Although the proposed wine store site does not fully meet with the LDB's current distance criteria of 1 km from other retail outlets, the LDB is recommending that an exception be made in this instance based on the reasons outlined below.

- (a) letters of support referred to above
- (b) the unique setting offered by the museum
- (c) the museum is a non-profit society
- (d) sales volumes are not expected to be significant and would therefore have little impact on the trading area
- (e) ideal tourist location

Please indicate whether you concur with the LDB's recommendation by signing in the space provided.

Approved

M. A. Maloney
Maureen Maloney
Deputy Minister

January 20/97
Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

TO: Jay Chambers

January 15, 1997

FROM: Doug Browne

SUBJECT: BCWI - Kelowna Wine Museum Wine Store Proposal

A formal letter of request has been received from the British Columbia Wine Institute (BCWI) proposing the establishment of a VQA wine store at the Kelowna Wine Museum (KWM).

Although the KWM location is in close proximity to a GLS, LRS and the Calona Winery on-site store, letters of support for a wine store at the museum have been received from the General Manager of the LRS, Ian Tostenson and the Mayor of Kelowna (copies of their correspondence is attached for your reference).

Bill Cross visited the museum; his comments are also included.

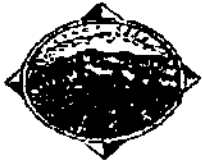
During a conference call held earlier today with Harry McWatters, Christine Coletta and myself we discussed the problems associated with the proximity of the KWM to other retail outlets. The basis for the BCWI's support of the KWM location are provided below.

- (a) the unique setting offered by the museum
- (b) the museum is a non-profit society
- (c) sales volumes are not expected to be significant and would therefore have little impact on the trading area
- (d) letters of support mentioned above
- (e) ideal tourist location

Harry realizes the uniqueness of this location and has assured me that they are not actively pursuing other commercial locations that do not meet our guidelines.

Can we discuss at your convenience?

Doug

**CALONA**
WINES

From the good earth of the Okanagan Valley.

December 4, 1996

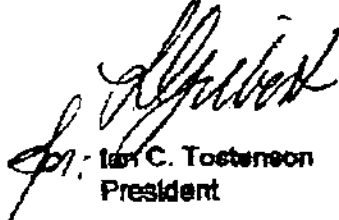
Via Fax 1-250-494-3456

Mr. Harry McWatters
Sumac Ridge Estate Winery
P.O. Box 307
Summerland, B.C.
V0H 1Z0

Dear Harry,

I am writing to express our support for the proposed wine museum and retail facility in Kelowna. We believe the concept will enhance the overall interest in our industry.

Yours truly,

CALONA WINES LIMITED
Ian C. Tostenson
President

ICT/ig

Suite 1000 1200 West 72nd Avenue Vancouver, BC Canada V6P 6C8 Telephone (604) 267-9463 Fax (604) 264-6810
1125 Richter Street, Kelowna, BC V8Y 2K6 Telephone (250) 762-3032 Fax (250) 762-2999

TOTAL P.03



November 29, 1996.

Mr. Ian Tostenson,
B.C. Wine Institute,
Suite #5, 1864 Spall Road,
Kelowna, B.C.
V1Y 4R1

Dear Mr. Tostenson:

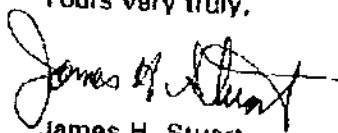
The Kelowna Museum wishes to establish in their satellite facility the B.C. Wine Museum, a retail outlet.

This is one of a net work of outlets to be in place in the Province. It will sell British Columbia VQA Wines only.

As this is a sound partnership between the Wine Industry and the Museum, and in keeping with the development of a tourism core, it falls into the plans of the City of Kelowna to enhance tourism and cultural development in a positive way.

The City of Kelowna supports the initiative of the Museum in this endeavour. In seeking to establish links with the business community that leads to mutual support, we feel this is a step to be commended.

Yours very truly,


James H. Stuart,
MAYOR

City Hall, 1435 Water Street, Kelowna, B.C. V1Y 1G1
604-763-6077 *Tel*fax 604-862-3399



The Royal Anne Hotel

348 Bernard Avenue
Kelowna, B.C., Canada V1Y 6N5
Telephone: (604) 860-7200
Fax: (604) 861-7735

November 14, 1996

Mr. Wayne Wilson
Curator
BC Wine Museum
1304 Ellis Street
Kelowna, BC V1Y 1Z8

Dear Wayne:

Further to our recent conversation, we understand that the British Columbia Wine Museum is applying for the VQA exclusive license through the British Columbia Wine Institute. Please be advised, you have our support of the Museum's initiative.

Coast Hotels, which operates the Cold Beer and Wine Store located at the Royal Anne Hotel, considers the proposed Museum and wine license a benefit to the local area, and we believe that an enhanced Museum encourages visitors to our end of town.

In closing, we see your facility as a complement to the Wine Industry, with a strong educational component which will assist all of us in understanding more about the British Columbia Wine Industry and its fine products.

Regards,

Craig Norris-Jones
ROYAL ANNE HOTEL

← General
Manager

Call Our Toll Free Line 1-800-663-1144

BRITISH
COLUMBIA
WINE
INSTITUTE

December 17, 1996

Mr. Doug Browne
Manager, Special Retail Programs
Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC
V5M 3T5

Dear Mr. Browne:

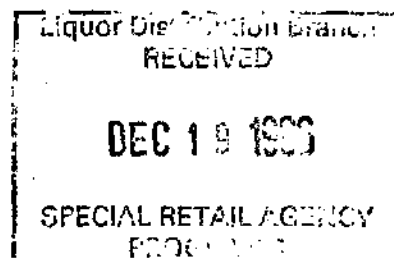
First of all, thank you for meeting with me last Thursday.

Further to our discussion, I wish to formally request, on behalf of the British Columbia Wine Institute, that one of our VQA licenses be activated for the Wine Museum in Kelowna. Having a wine shop in this location will be very important to our industry, not just from the retail aspect, but also because of the significance of the Wine Museum.

Please contact me at my winery if you wish to discuss this further.

Yours very truly,
BRITISH COLUMBIA WINE INSTITUTE
per:

Harry McWatters



BRITISH COLUMBIA WINE INSTITUTE
SUITE 5 • 1864 SPALL ROAD
KELOWNA, B.C., CANADA V1Y 4R1
PHONE 604 • 762 • 4587
FAX 604 • 963 • 9370
1 • 800 • 661 • 2294



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

June 15, 1999

Terry Quick and Stephen Lomax
The Arrowsmith Wine Shoppe
10a - 1209 East Island Highway
Parksville, B.C.
V9P 1R5

Dear Terry and Stephen:

Re: Certificate of Appointment - VQA Wine store #942

I am pleased to enclose a new Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute (BCWI) for the establishment of a wine store at your East Island Highway premises in Parksville.

Please ensure that the new certificate is displaced in a prominent location within the retail store area at all times.

Please accept my best wishes for your success in your new business venture.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Mr. J. Shantz, General Manager, BCWI
Mr. B. Hall, Director, Store Operations



BRITISH
COLUMBIA

STORE # 942

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE

operating the premises known as

THE ARROWSMITH WINE SHOPPE

located at


10a - 1209 EAST ISLAND HIGHWAY

PARKSVILLE,

British Columbia, has been
appointed as an agent for the period commencing

JUNE 14, 1999, until JUNE 13, 2001,

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch

Date

June 9, 1999



June 15, 1999

Mr. John Shantz, General Manager
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear John:

I am pleased to enclose a letter addressed to you from the Honourable Ian G. Waddell along with copies of new certificates of appointment and site plans for the locations noted below. The original certificates have been forwarded to the store operators involved for display within their store area.

- The Arrowsmith Wine Shoppe in Parksville - Schedule "A" - Site Plan 3.
- The Corkscrew at Panarama Village, Surrey - Schedule "A" - Site Plan 9.
- Minter's Country Wines, Bunker Road, Rosedale - Schedule "A" - Site Plan. Site Plan 10A. (Site Plan 10B that reflects the alternate site at Young Road in Chilliwack will be sent to you in due course.)

Please attach the new site plans to your copy of the Agreement.

If you have any questions please call at (604) 252-3039.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosure

3
BRITISH COLUMBIA WINE INSTITUTE

VQA WINE STORE PROGRAM**Agreement****BETWEEN:****The British Columbia Wine Institute (BCWI)****AND:**

Terry Quick
(Operator)

Whereas:

- A. The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores.
- B. In agreement with the British Columbia Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI.

1. Title:

1.1 The Operator acknowledges and agrees that the license to operate the VQA Store is owned by the BCWI and shall remain the sole property and right of BCWI at all times.

2. Location:

2.1 The proposed location of the store has been chosen by the Operator and approved by the BCWI, however BCWI makes no representations whatsoever as the suitability of this location as a viable business location or otherwise. No change of location may be made without the prior written consent of the BCWI.

For the BCWI:

President
British Columbia Wine Institute
175 - 1855 Kirschner Rd
Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870

For the Operator:

Signed this 18 day of may, 1999 in Parlesville,
B.C.

On behalf of the
British Columbia Wine Institute

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On behalf of the Operator

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(

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Corporate Seal

BRITISH COLUMBIA WINE INSTITUTE



May 13, 1999

Mr. Terry Quick
253 Finholm Street
Parksville, B.C.
V9P 1H3

This is to formally advise you that the British Columbia Wine Institute has endorsed your application to become the operator of a VQA wine shop. Your application is now being processed by the Liquor Distribution Branch. At the appropriate point in that process you should request a copy of the agreement to be concluded between the Institute and yourself.

You will be aware from the material you have received from our office that the BCWI has a \$1000 application fee for VQA wine store applicants. Our records show that you have not yet remitted this fee. Please consider this our request for payment.

We appreciate your interest in the BC wine industry and look forward to a productive working relationship.

Yours sincerely

John Shantz
General Manager

BRITISH COLUMBIA WINE INSTITUTE
*175-1851 KIRSCHNER ROAD
KELOWNA, B.C., CANADA V1Y 4N7
PHONE 250 762 * 4807
FAX 250 862 * 8870
1 * 800 * 661 * 2294



Flavours of Vancouver

Edgemont gets a wine store

Deana Lancaster

News Reporter
deana@nsnews.com

Copyright

Copyright

north shore news



Edgemont Village Wines pops its first cork

Copyright



October 13, 1998

VIA COURIER

Mr. Brian MacDonald and
Mr. Bruce Curry
558470 B.C. Ltd. dba
Edgemont Village Wines
C/o 721 East 15th Street
North Vancouver, B.C.
V7L 2S5

Dear Brian and Bruce:

Re: Certificate of Appointment – VQA Wine store #943

I am pleased to enclose a Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute for the establishment of a wine store at your Edgemont Village Wines premises in North Vancouver.

Please ensure that the new certificate is displayed in a prominent location within the retail store area at all times.

A condition of your agreement with the BCWI requires that you provide appropriate sales information directly to the BCWI at each period end. Please contact the BCWI for detailed instructions.

I would like to take this opportunity to wish you both success in your new business venture, and if you have any questions concerning the stores operation, do not hesitate to call me at (604) 252-3039.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Ms. C. Beilert, BCWI
Mr. B. Loughheed, Licensing Administrator, LCLB
Mr. B. Hall, Director, Store Operations, LDB
Mr. P. Campbell, Data Management, LDB



October 13, 1998

Ms. Connie Beilert
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear Connie:

I enclose a letter addressed to the B.C. Wine Institute from the Honourable Ian Waddell along with a copy of the certificate of appointment issued for the new B.C. VQA Wine Store at Edgemont Village Wines located at North Vancouver. I have taken the liberty of forwarding the original certificate directly to the store operators for display within the store area (a copy of that correspondence is enclosed for reference).

Further, I enclose a copy of Schedule "A" - Site Plan 7 for attachment to your copy of the Institutes Wine Store Agreement.

Please call me if you have questions at (604) 252-3039.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures



MEMORANDUM

TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: September 14, 1998

FROM: Jay Chambers
General Manager

RE: NEW VQA WINE STORE – EDMONT VILLAGE, NORTH VANCOUVER

The British Columbia Wine Institute (BCWI) has requested approval to establish a new VQA wine store for the sale of VQA wines at the site noted on the attached Schedule.

The new site has fully complied with Liquor Distribution Branch (LDB) location requirements and has received approval from the local municipality (their comments are attached for your reference).

The recommendation is to approve the application for a two year term.

Please indicate your decision on the attached Schedule. Should the appointment be approved, please sign the attached letter and certificate and return the documents in the envelope provided.



Jay Chambers

Attachments

CONCUR/NOT CONCUR



Philip G. Halkett
Deputy Minister

Schedule I

Business

Name

Edgemont Village Wines

Location

3050 Edgemont Boulevard

Term

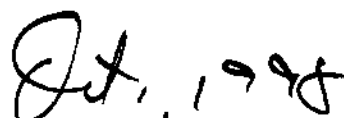
October 1, 1998

September 30, 2000

Pursuant to Ss. 18(5) of the Liquor Distribution Act and considering that the public will be better served, I hereby appoint the British Columbia Wine Institute as an agent at the site noted, and for the term specified, provided that they enter into and adhere to the appropriate winery store agreement.



Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



Date



OCT 1 1998

Connie Beilert
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear Connie Beilert:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located at Edgemont Boulevard in North Vancouver.

This appointment provides for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Institutes commitment to take up this responsibility is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian G. Waddell".

Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



BRITISH
COLUMBIA

STORE # 943

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE

operating the premises known as


EDGEMONT VILLAGE WINES

located at
3050 EDGEMONT BOULEVARD,
NORTH VANCOUVER,

British Columbia, has been
appointed as an agent for the period commencing

OCTOBER 1, 1998, until SEPTEMBER 30, 2000

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch


Date

BRITISH COLUMBIA WINE INSTITUTE**VQA WINE STORE PROGRAM****Agreement****BETWEEN:**

The British Columbia Wine Institute (BCWI)

and

**Village Wines Ltd.
(Operator)**

Preamble:

The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores. In agreement with the British Columbia Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI. At all times, the license to operate the store remains with the BCWI.

1. Location:

1.1 The proposed location of the store is deemed to have a tourist component acceptable to the Province (LDB) and will be located at 3050 Edgemont Blvd., North Vancouver.

1.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.

1.3 The Operator agrees to furnish evidence that the location meets all provincial and municipal licensing and operating requirements. It is the Operator's responsibility to obtain and maintain such approvals and to

continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

2. Size

2.1 The retail portion of the store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

3. Product

3.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.

3.2 No winery is obliged to consign product to the Operator.

3.3 The Operator is required to list for sale in the store any VQA wine offered by a member winery of the BCWI.

3.4 The Operator will normally order in case lot quantities on a weekly basis from each consigning winery. The Operator is required to request sufficient inventory to be on hand to, in normal circumstances, have all products for sale at all times. The Operator is not responsible for stock-outs that are the result of unexpected demand or failure

3.5 The Operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4. Financial Considerations

4.1 The Operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI.

4.2 The Operator may mark-up and retain all profits on allied merchandise.

4.3 The Operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form acceptable to the BCWI and the LDB.

4.4 The Operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis. Failure to do so may result in immediate cancellation of the Agreement to operate the store on behalf of the BCWI

as well as the seizure of all wines by or on behalf of consigning wineries. Such action may be taken without notice.

4.5 The Operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.

4.6 Shipping costs to the store are the responsibility of the consigning winery.

4.7 The Operator may be required to enter into a standard form consignment agreement with consigning wineries.

4.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement.

4.9 Tenant insurance is the responsibility of the Operator including, but not limited to, fire and theft and liability. The BCWI will make its best efforts to include Operators in their blanket liability insurance but the costs of doing so are the Operator's responsibility.

4.10 Operators must submit to the BCWI the GST payable on the 76% of the BCWI's portion of the wine sales. The Operator shall be responsible for the submission of the remaining GST to the Government of Canada. The Operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

5. Promotions

5.1 Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB Sampling Guidelines. A winery may have, at their expense, a separate display during samplings.

5.2 Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.

5.3 Wines must be shelved by winery using a waterfall shelving approach.

5.4 Wineries will be listed in the store alphabetically.

5.5 All products must have the same number of facings.

5.6 Point of sale promotions or shelf talkers may be used by the Operator. If so used, these opportunities must be equitably offered to the consigning wineries.

5.7 The Operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.

5.8 The Operator is required to carry and display any information brochures from consigning wineries, It is at the wineries discretion to offer such brochures.

5.9 The Operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.

5.10 The Operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the Operator in the VQA program.

5.11 The Operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the Operator.

5.12 The Operator is expected to be open seven days per week unless otherwise negotiated with the BCWI as a result of local business operating conditions. Operators need not be open Christmas Day.

5.13 The Operator is not permitted, by provincial regulation, to sell to licensees.

5.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.

5.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).

6. Operators

6.1 Operators or their business partners may not hold an interest in any British Columbia winery, agency or other beverage alcohol manufacturer or supplier or any other Operator of a liquor retailer,

6.2 The Operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.

6.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI..

7. Allied Products

7.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

8. Agreement

8.1 This Agreement shall be for a period of two years, being from NOV 1, 1998 to OCT 31, 2000. This Agreement may be renewed for a further two years at the discretion of the Operator so long as the Operator is in compliance with all terms of this Agreement. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.

8.2 This Agreement may be terminated without notice for failure to perform any material obligation within the contract

9. General Terms

9.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:


For the BCWI:

President
 British Columbia Wine Institute
 175 - 1855 Kirschner Rd
 Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870

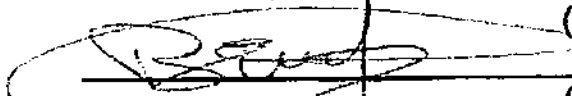
For the Operator:

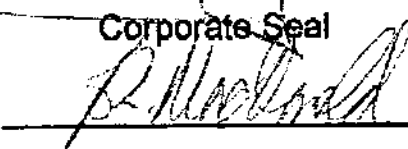
Signed this 01 day of Sept, 1998 in VANCOUVER,
 B.C.

On behalf of the
 British Columbia Wine Institute



On behalf of the Operator



 Corporate Seal


BRITISH
COLUMBIA
WINE
INSTITUTE

July 20, 2000

Mattick's Farm
Beth Crawford
#133 - 5325 Cordova Bay Road
Victoria BC, V8Y 2L3

Re: Contracts for VQA Wine Shop Operations

Dear Beth;

The British Columbia Wine Institute (BCWI) holds the Liquor Distribution Branch appointments for the operation of VQA Wine Shops. Individual shops operate under contract arrangements with the BCWI. We note that the Certificate of Appointment for the Mattick's Farm shop has expired. We have applied for a renewal of this appointment and expect that it will be granted shortly.

We also note that the contract with you for the Mattick's Farm location has now expired. It is the objective of the BCWI to review the contracts offered to the store operators and have a uniform form of contract drafted. We plan to have this new form of contract in place by October 1, 2000.

This is to advise you that the BCWI considers its present contract with you as VQA Wine Shop operator to continue to be in force until September 30, 2000, by which time we expect to have the new form of contract to offer as the basis for continuing operations.

Yours sincerely,

John T. Shantz
General Manager
British Columbia Wine Institute

JTS/ltz

CC: BCWI VQA Wine Shop Committee
Stephanie Watts, BCLDB
Richard Montgomery, Pushor Mitchell



#944

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

THE VQA WINE SHOPPE

located at

UNIT #133, 5325 CORDOVA BAY ROAD
VICTORIA, BRITISH COLUMBIA

for a period of five years commencing

JUNE 15, 2000, until JUNE 14, 2005

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

Date

BRITISH
COLUMBIA
WINE
INSTITUTE



May 31, 2000

By fax to all wineries in the VQA Wine Store Program

For the information of wineries participating in this program:

The Corkscrew VQA Wine Shop

The application for relocation of this shop to Clover Square remains pending. A formal application has been made to the Liquor Distribution Branch and is under consideration by the minister responsible.

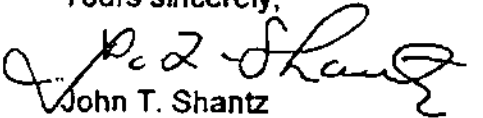
Lori Hamilton, Finance Coordinator for the BCWI, visited the site being used for the temporary storage of product on May 5, 2000. She confirms that the inventory agreed with the shop records, as filed with the BCWI.

Any winery wishing to contact the deCrewe's regarding their interests in this matter may reach them at 604-940-0959.

Mattick's Farm VQA Wine Shop

Beth Crawford had made application to move this shop to another location within the Mattick's Farm retailing complex. The LDB has rejected the proposal on the grounds that the shop would be incorporated into a grocery retailing location. Beth has informed the BCWI that she does not propose to proceed further with this concept and will continue to operate her shop from its present location. Beth Crawford may be reached at 250-658-3116.

Yours sincerely,


John T. Shantz
General Manager
British Columbia Wine Institute

CC: VQA Wine Store Committee
BCWI Board of Directors
Doug Browne, LDB
Beth Crawford
Jeff deCrewe

BRITISH COLUMBIA WINE INSTITUTE



April 28, 2000

By fax to all wineries in the VQA Wine Store Program

For the information of wineries participating in this program:

The Corkscrew VQA Wine Shop

The Corkscrew wine shop has ceased operations at 15153 Highway 10 in Surrey. The business opportunities at this location did not develop according to their expectations.

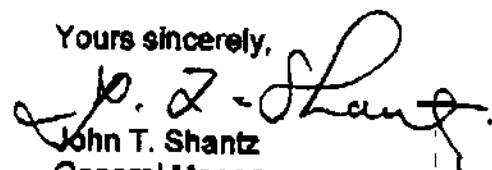
The BCWI has been informed that the wine inventory has been moved to a bonded storage site (Central Storage, 18590 - 86th Street, South Surrey). We have also been informed that both property and liability insurance coverages are in place for this premises.

Jeff and Kelly deCrewe have applied to re-establish their business at a new location (Clover Square Village, 108 - 17700 Highway 10 in Cloverdale). On the recommendation of the VQA Wine Store Committee, the BCWI Board of Directors has indicated its acceptance of this proposal. It is now in the hands of the LDB for decision in the context of their policies. Any winery wishing to contact the deCrewe's regarding their interests in this matter may reach them at 604-940-0959.

Mattick's Farm VQA Wine Shop

Beth Crawford has advised the BCWI that she wishes to move this shop to another location within the Mattick's Farm retailing complex. The BCWI has indicated its acceptance of this proposal. It is now in the hands of the LDB for decision in the context of their policies. Beth Crawford may be reached at 250-658-3116.

Yours sincerely,


John T. Shantz
General Manager
British Columbia Wine Institute

CC: VQA Wine Store Committee
BCWI Board of Directors
Doug Browne, LDB

Jeff deCrewe
Beth Crawford



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

May 2, 2000

John Shantz, General Manager
B.C. Wine Institute
9312 Jubilee Road
PO Box 1440
Summerland, B.C.
V0H 1Z0

Dear John Shantz:

Further to this morning's discussion, this letter will confirm the Liquor Distribution Branch's (LDBs) decision regarding the relocation of your VQA wine store at Mattick's Farm in Victoria.

After reviewing the relocation request and visiting the proposed new site, it has been decided to not approve the move into a self contained grocery store.

This would set a precedent that we do not wish to establish.

If you have any further questions with respect to this decision please call me.

Yours truly,

Doug Browne
Manager
Special Retail Programs

LIQUOR DISTRIBUTION BRANCH BRIEFING NOTE

I. Prepared for Jay Chambers, General Manager, **FOR DECISION**

II. ISSUE:

Whether or not to provide approval to the operator of a VQA wine store to relocate within an existing grocery business.

III. BACKGROUND:

The LDB has received a request from the British Columbia Wine Institute to relocate one of their Vintner Quality Alliance (VQA) wine stores inside a grocery store.

The current VQA wine store is located at Matticks Farm near Cordova Bay golf course in Victoria. This fairly new development has a number of retail shops that are located next to a townhouse and condominium development.

The VQA wine store opened in 1998 and it originally shared approximately ½ of its store space with a delicatessen. The delicatessen has since closed down and has not yet been replaced. This has resulted in a loss of customers for the wine store, since foot traffic has been reduced.

The landlord and the owners of a grocery store in the development approached the operator of the VQA wine store to see if there was an interest in relocating inside the grocery store.

IV. DISCUSSION:

The applicant is seeking preliminary approval in principle on the grocery store/wine store concept before the development of any formal plans regarding structural changes to the grocery store.

The proposal is not feasible unless customers have access to the wine section from the inside of the grocery store. Some sort of enclosure would be required since the grocery store is open significantly longer than the wine store i.e. 7:00 am opening.

The existing wine store operator (Beth Crawford) is not entirely sure this is the best possible location for her store, however it does meet the LDB's location proximity guidelines, and other suitable locations that meet LDB guidelines outside of Matticks Farm are difficult to find.

While there are some similar situations where wine stores are connected to grocery markets (e.g. Granville Island) or other businesses (e.g. The Bay, Tobacco Shops, etc.) there are no existing private wine stores located in a totally enclosed self contained grocery store.

Pictures of the existing wine store and proposed grocery store location are attached.

V. OPTIONS:

1. Turn down the request to move to this location.

The operator may be disappointed, however she realizes the grocery/wine store connection is a direction that government may not wish to follow.

Depending on who and when another tenant is signed up at her existing location, a move somewhere else may still become necessary.

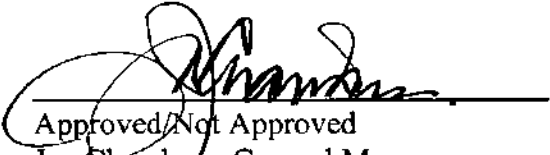
2. Grant approval in principle for the applicant to proceed with the relocation request.

This will set a precedent regarding private wine stores within self-contained grocery stores.

Additional requests of the same nature will likely result. Complaints from other grocers wanting a similar opportunity may be received.

VI. RECOMMENDATION:

Option 1



Approved/Not Approved
Jay Chambers, General Manager
Liquor Distribution Branch

Doug Browne
Manager, Special Retail Programs
(604) 252-3033
April 27, 1999

BRITISH COLUMBIA WINE INSTITUTE
VQA WINE STORE PROGRAM

Agreement

BETWEEN:

The British Columbia Wine Institute (BCWI)

and

Elizabeth L. Crawford
(Operator)

Preamble:

The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores. In agreement with the Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI. At all times, the license to operate the store remains with the BCWI.

1. Location:

1.1 The proposed location of the store is deemed to have a tourist component acceptable to the Province (LDB) and will be located at Mattick's Farm, Cordova Bay, Victoria

1.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.

1.3 The Operator agrees to furnish evidence that the location meets all provincial and municipal licensing and operating requirements. It is the Operator's responsibility to obtain and maintain such approvals and to continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

2. Size

2.1 The retail portion of the store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

3. Product

3.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.

3.2 No winery is obliged to consign product to the Operator.

3.3 The Operator is required to list for sale in the store any VQA wine offered by a member winery of the BCWI.

3.4 The Operator will normally order in case lot quantities on a weekly basis from each consigning winery. The Operator is required to request sufficient inventory to be on hand to, in normal circumstances, have all products for sale at all times. The Operator is not responsible for stock-outs that are the result of unexpected demand or failure to ship by the winery.

3.5 The Operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4. Financial Considerations

4.1 The Operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI.

4.2 The Operator may mark-up and retain all profits on allied merchandise.

4.3 The Operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form acceptable to the BCWI and the LDB.

4.4 The Operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis. Failure to do so may result in immediate cancellation of the Agreement to operate the store on behalf of the BCWI as well as the seizure of all wines by or on behalf of consigning wineries. Such action may be taken without notice.

4.5 The Operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.

4.6 Shipping costs to the store are the responsibility of the consigning winery.

4.7 The Operator may be required to enter into a standard form consignment agreement with consigning wineries.

4.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement.

4.9 Tenant insurance is the responsibility of the Operator including, but not limited to, fire and theft and liability. The BCWI will make its best efforts to include Operators in their blanket liability insurance but the costs of doing so are the Operator's responsibility.

4.10 Operators must submit to the BCWI the GST payable on the 76% of the BCWI's portion of the wine sales. The Operator shall be responsible for the submission of the remaining GST to the Government of Canada. The Operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

5. Promotions

5.1 Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB Sampling Guidelines. A winery may have, at their expense, a separate display during samplings.

5.2 Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.

5.3 Wines must be shelved by winery using a waterfall shelving approach.

5.4 Wineries will be listed in the store alphabetically.

5.5 All products must have the same number of facings.

5.6 Point of sale promotions or shelf talkers may be used by the Operator. If so used, these opportunities must be equitably offered to the consigning wineries.

5.7 The Operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.

5.8 The Operator is required to carry and display any information brochures from consigning wineries. It is at the wineries discretion to offer such brochures.

5.9 The Operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.

5.10 The Operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the Operator in the VQA program.

5.11 The Operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the Operator.

5.12 The Operator is expected to be open seven days per week unless otherwise negotiated with the BCWI as a result of local business operating conditions. Operators need not be open Christmas Day.

5.13 The Operator is not permitted, by provincial regulation, to sell to licensees.

5.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.

5.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).

6. Operators

6.1 Operators or their business partners may not hold an interest in any B.C. winery, agency or other beverage alcohol manufacturer or supplier or any other Operator of a liquor retailer.

6.2 The Operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.

6.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI.

7. Allied Products

7.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

8. Agreement

8.1 This Agreement shall be for a period of two years, being from _____ to _____. This Agreement may be renewed for a further two years at the discretion of the Operator so long as the Operator is in compliance with all terms of this Agreement. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.

8.2 This Agreement may be terminated without notice for failure to perform any material obligation within the contract

9. General Terms

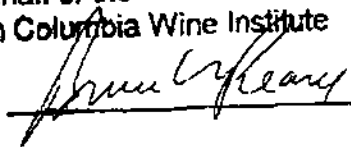
9.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:

For the BCWI:

BRUCE PEARCE
British Columbia Wine Institute
175 - 1855 Kirschner Rd
Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870
For the Operator:

Signed this 25th day of March, 1998 in Suncar, B.C.
B.C.


On behalf of the
British Columbia Wine Institute



Corporate Seal

(

On behalf of the Operator



Corporate Seal

(



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 20, 1998

Ms. Beth Crawford
The VQA Wine Shoppe
Unit #133
5325 Cordova Bay Rd.
Victoria, B.C.
V8Y 2L3

Dear Beth:

Re: VQA Wine Store Appointment #944 at Mattick's Farm, Cordova Bay Rd.

I am pleased to enclose your Certificate of Appointment with respect to the British Columbia Wine Institute's wine store appointment at your premises at Mattick's farm.

As a reminder please ensure that the new certificate is displayed in a prominent location within the retail store area.

Once again, thank you for your patience and cooperation during the appointment processing.

Yours truly,

Gail Meyer

for Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Mr. B. Pearce, General Manager, BCWI



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 16, 1998

VIA FAX: (250) 658-3117
ORIGINAL VIA COURIER

Ms. Beth Crawford
The VQA Wine Shoppe
Unit #133
5325 Cordova Bay Rd.
Victoria, B.C.
V8Y 2L3

Dear Beth:

Re: VQA Wine Store Appointment #944 at Mattick's Farm, Cordova Bay Rd.

I am pleased to advise you that approval has been given with respect to the British Columbia Wine Institutes wine store appointment at your premises at Mattick's Farm, and confirm that retail sales of VQA wine products may commence as of the date of this letter. The Certificate of Appointment and letter from the minister will follow shortly.

Please ensure that once you have received the new certificate that it is displayed in a prominent location within the retail store area.

Also, I am providing a supply of forms that are required for statistical reporting and request that the appropriate sales information be entered and then submitted to the BCWI at each period end. For detailed instructions concerning these forms please contact Mr. Phil Campbell at (604) 252-3170.

Your cooperation and patience has been appreciated, and I wish you every success in your new endeavour. If you have any questions concerning the stores operation, please call me.

Yours truly,

for Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Mr. B. Pearce, General Manager, BCWI
Mr. B. Hall, Director, Store Operations, LDB
Mr. P. Campbell, Data Management, LDB



April 14, 1998

Bruce Pearce, General Manager
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear Bruce Pearce:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located at Mattick's Farm in Cordova Bay.

This appointment provides for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Institutes commitment to take up this responsibility is appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ian G. Waddell".

Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



BRITISH
COLUMBIA

STORE # 944

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE

operating the premises known as

VQA WINE SHOPPE

located at UNIT #133

5325 CORDOVA BAY ROAD

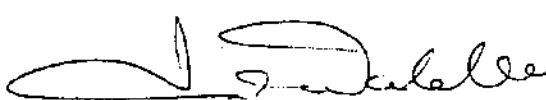
VICTORIA,

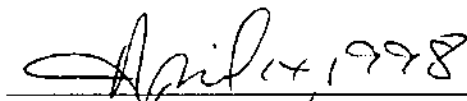
British Columbia, has been
appointed as an agent for the period commencing

APRIL 15, 1998

, until APRIL 14, 2000,

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch


Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 17, 1998

VIA FAX: (250) 862-8870
ORIGINAL SENT VIA POST

Mr. Bruce Pearce, General Manager
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear Bruce:

I am pleased to advise that the British Columbia Wine Institutes VQA wine store appointment at Mattick's Farm has been approved and may commence operation effective April 16, 1998.

A copy of the Certificate of Appointment and letter to you from the Attorney General are enclosed. I have taken the liberty of forwarding the original certificate directly to Ms. Beth Crawford for display within the store area.

Further, I enclose a copy of Schedule "A" - Site Plan 4 for attachment to your copy of the Institutes Wine Store Agreement.

Best wishes for success in this new location.

Yours truly,

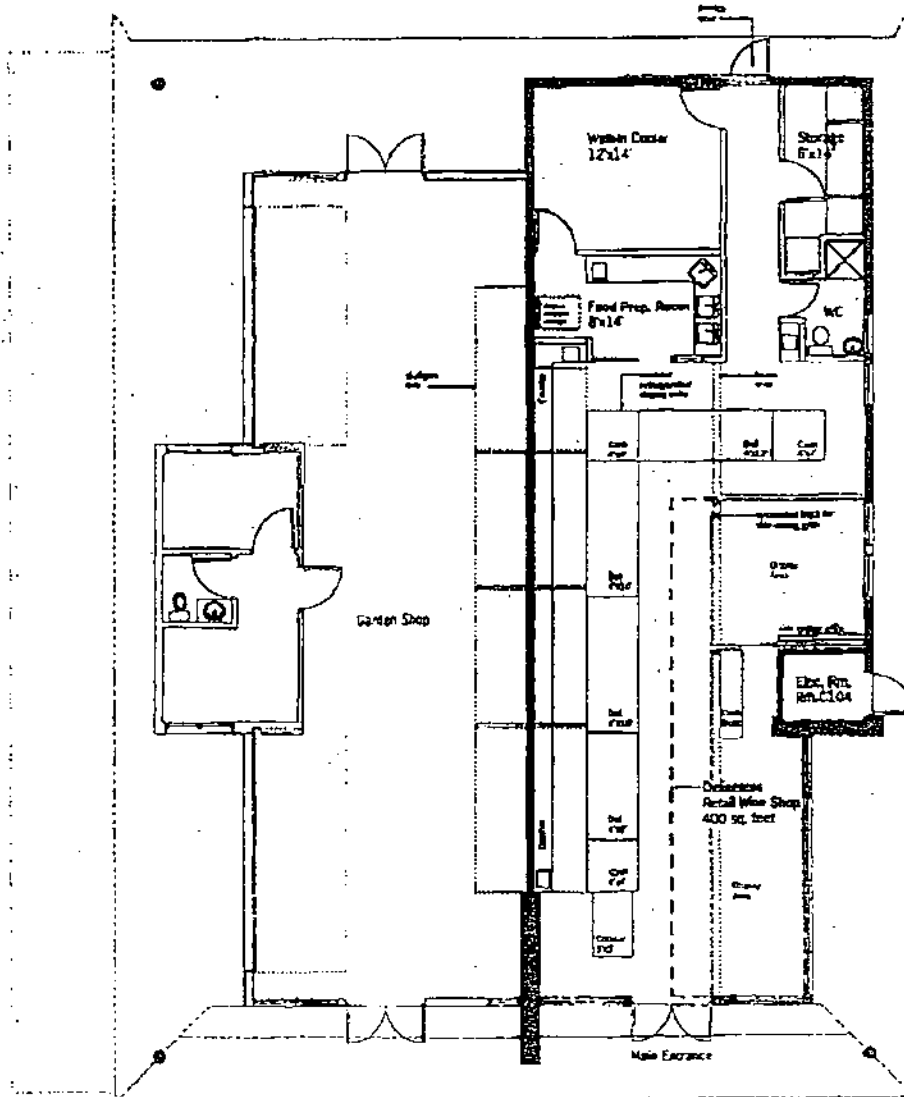
Gail Mayew

for Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

B.C. VQA WINE STORE #944

British Columbia Wine Institute dba
VQA Wine Shoppe
Unit #133
5325 Cordova Bay Rds.
Victoria, BC V8Y 2L3





MEMORANDUM

TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: April 7, 1998

FROM: Jay Chambers
Acting General Manager

RE: APPLICATION FOR NEW VQA WINE STORE – CORDOVA BAY

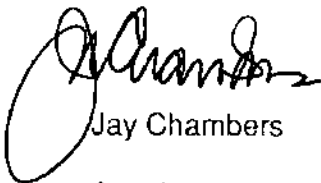
The British Columbia Wine Institute (BCWI) has requested approval to establish a new VQA wine store for the sale of VQA wines at the site noted on the attached Schedule.

The proposed store is based on governments' approval of recommendations made by the Wine and Grape Strategic Planning Committee to allow the expansion of retailing outlets for VQA wines in tourist locations throughout B.C.

The new site has fully complied with Liquor Distribution Branch (LDB) location requirements, has received approval from the local municipality, and the support from the lessor (their comments are attached for your reference).

The recommendation is to approve the application for a two year term.

Please indicate your decision on the attached Schedule. Should the appointment be approved, please sign the attached letter and certificate and return the documents in the envelope provided.



Jay Chambers

Attachments

CONCUR/NOT CONCUR



Philip G. Halkett
Deputy Minister

Schedule I

Business

Name

VQA Wine Shoppe

Location

Cordova Bay Road, Victoria

Term

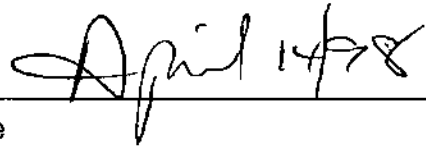
April 15, 1998

April 14, 2000

Pursuant to Ss. 18(5) of the Liquor Distribution Act and considering that the public will be better served, I hereby appoint the British Columbia Wine Institute as an agent at the site noted, and for the term specified, provided that they enter into and adhere to the appropriate winery store agreement.



Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



Date

**BRITISH
COLUMBIA
WINE
INSTITUTE**

July 20, 2000

The Wine Barrel
Wilf Krutzmann
644 Broughton Street
Victoria BC, V8W 1C9

Re: Contracts for VQA Wine Shop Operations

Dear Wilf,

The British Columbia Wine Institute (BCWI) holds the Liquor Distribution Branch appointments for the operation of VQA Wine Shops. Individual shops operate under contract arrangements with the BCWI. We note that the Certificate of Appointment for the Wine Barrel shop has expired. We have applied for a renewal of this appointment and expect that it will be granted shortly.

We also note that the contract with you for the Wine Barrel location has now expired. It is the objective of the BCWI to review the contracts offered to the store operators and have a uniform form of contract drafted. We plan to have this new form of contract in place by October 1, 2000.

This is to advise you that the BCWI considers its present contract with you as VQA Wine Shop operator to continue to be in force until September 30, 2000, by which time we expect to have the new form of contract to offer as the basis for continuing operations.

Yours sincerely,

John T. Shantz
General Manager
British Columbia Wine Institute

JTS/ltz

CC: BCWI VQA Wine Shop Committee
Stephanie Watts, BCLDB
Richard Montgomery, Pushor Mitchell



#946

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

THE WINE BARREL

located at

644 BROUGHTON STREET
VICTORIA, BRITISH COLUMBIA

for a period of five years commencing

JUNE 15, 2000, until **JUNE 14, 2005**

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

Date

MINISTRY OF ATTORNEY GENERAL
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE

ISSUE:

A press conference by Dr. Wilf Krutzmann, the owner of the Wine Barrel (Victoria), is being held on October 24 to criticize government private wine store policy.

RECOMMENDED ACTION/RESPONSE:

The decision has been made not to expand private-sector liquor retailing at this time, and to allow only limited expansion of government liquor stores. There are currently 471 privately operated cold beer and wine stores, independent wine shops, rural agency stores and industry agency store appointments operated by breweries, wineries and distilleries; there are 220 government liquor stores, for a total of 691 retail liquor outlets. This public-private mix serves the needs of British Columbians well.

Dr. Krutzmann's request for a licence to sell B.C. wines came after the cutoff date for the last expansion of private sector liquor retailing, which was in July 1992. The Liquor Distribution Branch receives numerous similar requests from individuals interested in liquor retailing on a continuing basis.

BACKGROUND:

In 1985, private wine retailing began in British Columbia when a program was established that allowed B.C. wineries (with Ministerial approval) to establish off-site winery stores. Often, a subcontract relationship existed between the winery and a private businessperson who operated the off-site outlet.

In 1987, the Liquor Policy Review looked at consumption, access and social problems engendered by the sale of beverage alcohol. Sixteen public hearings were held around the province and over 400 presentations were made by groups, businesses and individuals. As a result of this review, it was recommended that a new model for privately operated freestanding wine stores be created and that these outlets should sell both domestic and imported wine. Subsequently, the existing off-site winery store subcontractors were directly appointed as agents of the province. There are currently 12 private off-site wine stores selling imported and B.C. wine and 9 outlets selling only B.C. wine.

The last private sector program for wine and beer retailing was the Licensee Retail Store Program (commonly referred to as "cold beer and wine stores"), which was restricted to qualifying hotels that had applications submitted by July 1992, when the program was discontinued. The Licensee Retail Store Program had an original target of 200 stores when it was begun; there are currently 271 cold beer and wine stores in British Columbia.

The LDB did consider a limited program of "Specialty Wine Boutiques" in 1991 to serve the needs of the upscale wine market, and this generated considerable public interest when it was advertised. However, expansion of private sector liquor retailing programs were put on hold in 1991, pending the outcome of provincial elections. Following the election, the government reviewed liquor retailing and the decision was made to discontinue any further expansion of private sector wine retail outlets in the spring of 1992.

Dr. Wilf Krutzmann and his partner, Carol Morgan, begun writing to the Liquor Distribution Branch and the Attorney General following the opening of their wine accessories shop, the Wine Barrel, in June of 1993. In each response they have been told that private sector liquor retailing licences are not available at this time.

The Ministry of Agriculture, Fisheries and Food (MAFF) in conjunction with the LDB and LCLB are drafting a Cabinet Submission for a Grape and Wine Industry Strategic Plan. Part of the Plan recommends an expansion of private B.C. wine stores to showcase premium B.C. wines. It is not know if Mr. Krutzman is aware of this initiative.

CURRENT STATUS:

A reporter for the News Group in Victoria phoned the Attorney General's Communication and Education Division, Policy and Communications Branch and the LDB to discuss Dr. Krutzmann's news conference on October 17. The news conference is scheduled for October 24, and will be attended by unnamed wine industry representatives.

OTHER BRANCHES/MINISTRIES/GOVERNMENTS:

Ministry of the Attorney General, Communications and Education Division, Policy and Communications Branch
Liquor Control and Licensing Branch
Ministry of Agriculture, Fisheries and Food

TIMELINES:

N/A

Contact person:	Will Hopkins
Telephone no:	252-3054
Date:	October 18, 1994

LIQUOR DISTRIBUTION
BRANCH

Now able to carry valley wines

MLA sweetens wine seller's store bid

TOTAL P.01

P.01/01

Copyright



June 17, 1998

Dr. W. Krutzmann
The Wine Barrel VQA Store
644 Broughton Street
Victoria, B.C.
V8W 1C9

Dear Dr. Krutzmann:

Re: Certificate of Appointment – VQA Wine store #946

I am pleased to enclose a Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute for the establishment of a wine store at The Wine Barrel, Victoria.

Please ensure that the new certificate is displayed in a prominent location within the retail store area at all times.

Also, I am providing a supply of forms that are required for statistical reporting and request that the appropriate sales information be entered and then submitted to the BCWI at each period end. For detailed instructions concerning these forms please contact Mr. Phil Campbell at (604) 252-3170.

I wish you every success in your new endeavour. If you have any questions concerning the stores operation, please call me.

Yours truly,

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Mr. B. Pearce, General Manager, BCWI
Mr. B. Loughheed, Licensing Administrator, LCLB
Mr. B. Hall, Director, Store Operations, LDB
Mr. P. Campbell, Data Management, LDB



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

June 17, 1998

Mr. Bruce Pearce, General Manager
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear Bruce:

I am pleased to enclose a letter to you from the Honourable Ian Waddell along with a copy of the certificate of appointment with respect to the new B.C. VQA Wine Store at The Wine Barrel in Victoria. I have taken the liberty of forwarding the original certificate directly to Dr. Wilf Krutzmann for display within his store area.

Further, I enclose a copy of Schedule "A" - Site Plan 5 for attachment to your copy of the Institutes Wine Store Agreement.

Please call me if you have questions.

Yours truly,

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures



MEMORANDUM

TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: June 4, 1998

FROM: Jay Chambers
Acting General Manager

RE: NEW VQA WINE STORE – THE WINE BARREL AT VICTORIA

Based on the recent approval given to the British Columbia Wine Institute for the establishment of a VQA Wine Store at The Wine Barrel in Victoria (copy of approval letter attached for reference), it is appropriate that the Liquor Distribution Branch document the new appointment by providing the agent with a letter and certificate of appointment.

Please sign the attached letter and certificate and return the documents in the envelope provided.



Jay Chambers

Attachments

CONCUR/NOT CONCUR



Philip G. Halkett
Deputy Minister



JUN 08 1996

Bruce Pearce, General Manager
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear Bruce Pearce:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located at The Wine Barrel in Victoria.

This appointment provides for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Institutes commitment to take up this responsibility is appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ian G. Waddell".

Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



BRITISH
COLUMBIA

STORE # 946

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE
operating the premises known as

THE WINE BARREL

located at
644 BROUGHTON STREET,
VICTORIA,

VICTORIA, British Columbia, has been appointed as an agent for the period commencing

JUNE 2, 1998, until JUNE 1, 2000

pursuant to section 18(5) of the Liquor Distribution Act. The appointment is subject to the terms and conditions of the Agreement entered into between the Agent and the Province.

Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch

Date _____



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

June 2, 1998

VIA FAX ONLY (250) 383-9850

Mr. Bert Hick
W.A.E. Hick and Associates Ltd.
740 - 1070 Douglas Street
Victoria, B.C.
V8W 2C4

Dear Bert:

Re: Capital City Veterinary Services Ltd. dba The Wine Barrel - VQA Wine Store #946

Based on the approval given to your client by the Minister Responsible for the Liquor Distribution Branch to establish a VQA Wine Store at the premise noted, this letter will confirm that operation of the wine store may commence as of the date of this letter.

A Certificate of Appointment for display within the store area will be forwarded directly to Dr. Wilf Krutzmann at the wine store once signed by the Minister.

Further, having completed my review of the documents provided in support of Dr. Krutzmann's application, I ask that you provide:

- A complete copy of the signed lease for my review;
- The proposed store opening date;
- The name of the store manager and a list of all employees;
- The proposed days and hours of operation; and
- The store telephone and facsimile numbers.

Please call me if you have any questions.

Yours truly,

Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

cc: Dr. W. Krutzmann, The Wine Barrel
Mr. B. Pearce, British Columbia Wine Institute
Mr. B. Loughheed, Licensing Administrator, LCLB
Mr. P. Campbell, Supervisor, Data Management, LDB

BRITISH COLUMBIA WINE INSTITUTE
VQA WINE STORE PROGRAM

Agreement

BETWEEN:

The British Columbia Wine Institute (BCWI)

and

CAPITAL CITY VETERINARY SERVICES LTD
O.B.A. THE WINE BARREL
(Operator)

Preamble:

The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores. In agreement with the Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI. At all times, the license to operate the store remains with the BCWI.

1. Location:

1.1 The proposed location of the store is deemed to have a tourist component acceptable to the Province (LDB) and will be located at
644 BROUGHTON ST.

VICTORIA

1.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.

1.3 The operator agrees to furnish evidence that the location meets all provincial and municipal licensing and operating requirements. It is the operator's responsibility to obtain and maintain such approvals and to continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

2. Size

2.1 The retail portion of the store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

3. Product

3.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.

3.2 No winery is obliged to consign product to the operator.

3.3 The operator is required to list for sale in the store any VQA wine offered by a member winery of the BCWI.

3.4 The operator will normally order in case lot quantities on a weekly basis from each consigning winery. The operator is required to request sufficient inventory to be on hand to, in normal circumstances, have all products for sale at all times. The operator is not responsible for stock-outs that are the result of unexpected demand or failure

3.5 The operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4. Financial Considerations

4.1 The operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI.

4.2 The operator may mark-up and retain all profits on allied merchandise.

4.3 The operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form acceptable to the BCWI and the LDB.

4.4 The operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis. Failure to do so may result in immediate cancellation of the Agreement to operate the store on behalf of the BCWI as well as the seizure of all wines by or on behalf of consigning wineries. Such action may be taken without notice.

4.5 The operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.

4.6 Shipping costs to the store are the responsibility of the consigning winery.

4.7 The operator may be required to enter into a standard form consignment agreement with consigning wineries.

4.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement.

4.9 Tenant Insurance is the responsibility of the operator including, but not limited to, fire and theft and liability. The BCWI will make its best efforts to include operators in their blanket liability insurance but the costs of doing so are the operator's responsibility.

4.10 Operators must submit to the BCWI the GST payable on the 76% of the BCWI's portion of the wine sales. The operator shall be responsible for the submission of the remaining GST to the Government of Canada. The operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

5. Promotions

5.1 Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB Sampling Guidelines. A winery may have, at their expense, a separate display during samplings.

5.2 Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.

5.3 Wines must be shelved by winery using a waterfall shelving approach.

5.4 Wineries will be listed in the store alphabetically.

5.5 All products must have the same number of facings.

5.6 Point of sale promotions or shelf talkers may be used by the operator. If so used, these opportunities must be equitably offered to the consigning wineries.

5.7 The operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.

5.8 The operator is required to carry and display any information brochures from consigning wineries. It is at the wineries discretion to offer such brochures.

5.9 The operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.

5.10 The operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the operator in the VQA program.

5.11 The operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the operator.

5.12 The operator is expected to be open seven days per week unless otherwise negotiated with the BCWI as a result of local business operating conditions. Operators need not be open Christmas Day.

5.13 The operator is not permitted, by provincial regulation, to sell to licensees.

5.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.

5.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).

6. Operators

6.1 Operators or their business partners may not hold an interest in any B.C. winery, agency or other beverage alcohol manufacturer or supplier or any other operator of a liquor retailer,

6.2 The operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.

6.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI..

7. Allied Products

7.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

8. Agreement

8.1 This Agreement shall be for a period of two years, being from June '98 to June '2000. This Agreement may be renewed for a further two years at the discretion of the Operator so long as the Operator is in compliance with all terms of this Agreement. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.

8.2 This Agreement may be terminated without notice for failure to perform any material obligation within the contract

9. General Terms

9.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:

For the BCWI:

Pres.
~~President~~ *GENERAL MANAGER*
British Columbia Wine Institute
175 - 1855 Kirschner Rd
Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870
For the Operator:

Signed this 26 day of May, 1998 in Kelowna,
B.C.

On behalf of the
British Columbia Wine Institute

Bruce Pearce G.M.

Corporate Seal

On behalf of the Operator

[Signature]

Corporate Seal



May 20/98

Bruce Pearce, General Manager
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V1Y 4N7

Dear Bruce Pearce:

I have had the opportunity of reviewing the application made on behalf of Dr. Wilf Krutzmann (the "Applicant") for an exercise of discretion to the "Location Guidelines for VQA Wine Stores" that have been adopted by the British Columbia Wine Institute (the "Institute") as part of their selection criteria.

Section 18(5) of the Liquor Distribution Act gives me the power to appoint a person as an agent if I believe the public can be better served.

In addition to the original application, I have received further information from the Applicant, the Institute, and the Liquor Distribution Branch. Based on a detailed review of these submissions I have decided to grant an exception to the proximity guidelines in this particular case.

The following factors have led me to decide that the public can be better served by granting this exception:

- 1) The intent of the VQA program is to provide an opportunity that allows premium British Columbia wine to be sold in tourist-oriented areas.

Victoria has in excess of 3.5 million tourists visit annually, and this store is located within a few blocks of the downtown shopping core, major hotels, and tourist attractions.

... /2

- 2) The product selection that will be carried by this store.

This store is restricted to the sale of VQA wine. While some VQA products are available in the area a number of the wines to be carried in this store are not readily available. In addition to the general public, many smaller BC wineries will benefit by having access to a downtown market that is currently unavailable to them.

- 3) Demonstrated community support.

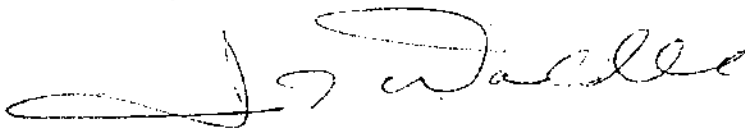
Letters of support have been received from the City of Victoria, the Victoria Chamber of Commerce, two cold beer and wine stores and a number of BC wineries.

- 4) Uniqueness of this area and location.

The terrain of Victoria is such that distinct shopping districts exist within the 1.5 km proximity guideline. The closest liquor retailer to this location is the government liquor store in Eaton's Centre and it is located below grade and therefore does not have a strong street presence.

I would like to thank you for your input and patience during the review process, and wish you every success in this new location.

Yours truly,



Ian G. Waddell, Minister Responsible for
the Liquor Distribution Branch

cc: Dr. Wilf Krutzmann
Rick Kasper, M.L.A.

**LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

I. Prepared for Ian Waddell, Minister, **FOR DECISION**

II. ISSUE:

Whether to allow a VQA retail wine outlet in downtown Victoria.

III. BACKGROUND:

On February 16, 1995 the Ministry of Agriculture, Fisheries and Food announced the expansion of retailing opportunities for BC VQA wines in major tourist locations throughout the province. There had been a moratorium on any new private store programs since 1992, and this moratorium continues for other categories of stores.

The VQA stores are established under Ss 18(5) of the Liquor Distribution Act, which allows the Minister to appoint an agent on the terms and conditions he/she feels appropriate if the Minister believes the public can be better served. The appointed agent for all these stores (up to 12 may be allowed) will be the BC Wine Institute (the "Institute"), although the Institute is permitted to subcontract with private individuals to operate these stores.

The Institute is responsible for attracting and screening potential applicants and putting forward location recommendations to the LDB. Unlike other store models all the revenue from VQA stores goes directly to the store operator and the wineries involved. This is explained in greater detail in the discussion section.

The LDB provided guidelines regarding proximity to other liquor outlets to the Institute, and they agreed that they would adhere to these guidelines in their selection of locations unless there were valid reasons why an exception should be considered.

Mr. Wilf Krutzmann ("the Applicant") of The Wine Barrel in Victoria submitted an application for a VQA store to the Institute which was not accepted by them due to his proximity to six other outlets, which under the guidelines for this area is 1.5 km.

The Applicant has filed a complaint with the Ombudsman office who has contacted the LDB to get an explanation of the appointment process and the right of the Applicant to appeal. Based on these discussions the Applicant was advised by the Ombudsman office to submit a written request (the "Submission") with reasons to the LDB why he believes an exercise of discretion should be made. A private consultant and a legal firm have done so on the Applicant's behalf. The Ombudsman office has placed their investigation on hold until the LDB has completed their review.

A two page briefing note was prepared on this subject and the Minister's office requested additional information and this note has been prepared subsequent to that request.

The LDB reviewed the Submission and then forwarded it to the Institute for their advice. The Institute has written back suggesting due to the complexity of the issue and its ramifications it should be decided through government policy. A copy of their response is enclosed.

IV. DISCUSSION:

The Submission contains numerous reasons and in some cases examples of why the operator believes an exercise in discretion is warranted. For clarity they have been separated into areas in which the LDB concurs with the submission and other considerations, including circumstances where previous exceptions have been made.

LDB Concurs

- (i) The Applicant has or can meet 5 of the 6 established criteria for the VQA store program. The one criterion they do not fully meet is conforming with LDB/Institute location guidelines regarding proximity to other retail locations. The Applicant does meet the tourist component of this criteria since the store at 644 Broughton Street is located right in the downtown core.
- (ii) The proximity guidelines, which the Institute has adopted, are policy and not legislation and therefore each proposal needs to be judged on its own merit. There have been a limited number of exceptions made in the past to the proximity guidelines, by the Minister responsible and they are discussed in detail below.
- (iii) All existing private retailers have a non-exclusivity clause in their agreements with the Province, so there are no legal impediments to granting this request.
- (iv) The Applicant has demonstrated some community support with letters from The Greater Victoria Chamber of Commerce, the City of Victoria, and two of their potential competitors Swans Hotel and the Ocean Pointe Resort. Blue Grouse farm winery has also indicated their support. The LDB has been told one existing cold beer and wine store operator is not likely to sign such a letter.
- (v) The Applicant has enclosed a professionally prepared forecast of 'sales potential' for this store. The potential for this store due to its location is not in dispute.

Other Considerations

LDB proximity guidelines have been used since the inception of the VQA store program and have been provided to all potential applicants. These same proximity guidelines have been used for private wine store relocations since 1992. One operator who wished to move was closed for over a year finding a suitable new site. Other stores currently attempting to relocate are following the guidelines.

The Wine Institute wants to have profitable stores in high traffic areas, however they also recognize the position of the associations representing beer and wine stores who are trying to protect their members' interests.

The Neighbourhood Pub Owner's Association has repeatedly voiced their opposition to any new stores or any relocation of stores contrary to the LDB's established proximity guidelines. The LDB stated at the onset of the VQA program that the existing guidelines would apply unless there were extenuating circumstances. The four cold beer and wine stores in this case are attached to hotels and not neighbourhood pubs.

In September 1997 the Applicant, who is a licensed wine agent attended an enforcement hearing for selling liquor to the general public from his Broughton Street location contrary to Section 38(1) and 52(3) of the Liquor Control and Licensing Act. At the hearing the Applicant agreed not to sell product to "walk in" traffic, and a warning letter settled the matter.

The Applicant also points out that historically there has been a reduction in the number of outlets approved at one time or another in the area.

The Applicant did submit a second application to the Institute for a store in Cobble Hill. The Applicant has indicated that he does not wish to have two applications approved and only wishes to have the Victoria location. The Institute has taken no action on this second location, pending the results of the Victoria application.

The Applicant also suggests that the two liquor stores in the area are general convenience stores that do not have a large specialty wine, are located below grade and do not have a large street presence. The Applicant further states that the cold beer and wine stores in the area focus mainly on retailing cold beer products and not wine, especially not the same wines he would be selling. Approving this location would give an opportunity for some smaller wineries to retail VQA products that may not be available in the other existing outlets.

The table on the next page illustrates the locations, their driving distance from the Wine Barrel, and their annual sales of VQA wines and approximate LDB markup.

Outlet	Distance by car	Annual Sales of VQA Wines	Approx. LDB Markup*
James Bay(GLS)	1.4 km	\$75,922	\$22,000
Eaton's Centre (GLS)	.1 km (176 yards)	\$92,217	\$26,700
Dominion Hotel (LRS)	.5 km	\$27,111	\$ 800
Swans (LRS)	.7 km	\$37,512	\$ 1,100
Inn at the Harbour (LRS)	.9 km	\$20,138	\$ 600
Ocean Pointe Hotel (LRS)	1.2 km	\$41,506	\$ 1,200

* VQA wine sold directly by wineries to cold beer and wine stores is not subject to LDB markup. On a provincial basis this represents about 85% of their VQA sales, with the other 15% coming from government liquor stores.

VQA Store Exceptions

One previous exception to the proximity guidelines has been made for the VQA wine store located in the Wine Museum in Kelowna. Within 1km of this site there is one government liquor store, one cold beer and wine store, and one on-site wine store at Calona Winery. In January 1997 the Minister Responsible approved this based on:

- (i) letters received in support of the location, including the beer and wine store and Calona Wines
- (ii) the unique setting offered by the museum
- (iii) the fact the museum is a non-profit society
- (iv) the anticipated low sales volume which was expected to have little impact on the trading area
- (v) the fact it represents an ideal tourist location

The Applicant suggests an exception has been made for the VQA wine store located in Ladysmith at Coronation Mall. According to the guidelines the proximity for this store is 2.5 km. Since this store was recommended by the Institute and was measured by the liquor inspector at 2.4 km it was approved and not considered as an exception to the guidelines.

Contrary to what is believed by the Applicant an exception to these guidelines has not been considered for another proposal in Fort Langley. The Institute during the initial screening did not identify an existing retail outlet (GLS) within the proximity guidelines. Once the Institute recognized this error they did not pursue the Fort Langley location and the applicant was advised that their proposal was not acceptable.

Private Store Exceptions

Two exceptions to the proximity guidelines have been made for private wine stores that have relocated premises. The most recent was May 1997 when Charlie's Wine Cellar moved from Metrotown Centre in Burnaby to West Vancouver. The Minister Responsible approved this relocation due to the significant difference in store models. The existing store is a delicatessen that has minimal wine sales, and is limited to one producer's product.

The second exception was for Saanich Plaza in Victoria in June 1995. The applicant was successful in convincing the Minister that an exception should be made based on the following:

- i) there was only one other retailer (the Red Lion Cold Beer and Wine Store) within the proximity guidelines
- ii) the Red Lion catered to a different clientele due to its exotic dancer program
- iii) the guideline for this area is 1.5 km, due to the uniqueness of this location the distances are .7 km in one direction and 1.3 in another.

There was a lot more material presented in Saanich Plaza case, which was prepared in part by the same consulting firm involved in this applicant's submission. Although both submissions contain some similar arguments, the above noted reasons for the exception being made do not apply to the Wine Barrel.

LRS Exceptions

There are many examples of Licensee Retail Stores (cold beer and wine) where the proximity guidelines do not apply. These outlets are licensed by the Liquor Control and Licensing Branch and therefore not subject to ministerial discretion. They must also be located on the same property as their affiliate hotel or neighbourhood pub since they are tied to that license and cannot physically relocate.

V. OPTIONS:

1. Change the proximity guidelines for all private wine stores.

Many complaints would be received from existing operators who would feel that their livelihood and financial investments are being threatened. The BC Hotel Association, Government Employees Union, and Neighbourhood Pub Owner's Association would also voice their objections.

Opportunities for the Wine Institute would be increased.

2. Change the proximity guidelines for VQA wine stores only.

Existing operators would complain, especially private wine stores that would claim this treatment is unfair. The BC Hotel Association, Government Employees Union, and Neighbourhood Pub Owner's Association would also voice their objections.

Opportunities for the Wine Institute would be increased.

3. Grant an exception to the guidelines in this particular case.

This would set a precedent that existing and future wine stores would point out. The BC Hotel Association, Government Employees Union, and Neighbourhood Pub Owner's Association would also voice their objections. Other VQA applicants who have been turned down will appeal for exceptions. This would be inconsistent with previous decisions.

The Wine Institute would have a viable location. Possible bad press from this operator would be avoided.

4. Turn down the request for an exception.

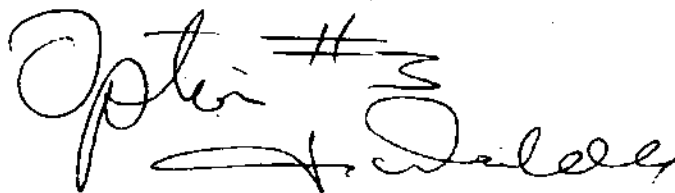
Applicant will complain and perhaps go to media or explore legal remedies. The expected complaints likely would include:

- (i) the length of time for government to make a decision
- (ii) lack of government support for small business and tourism
- (iii) lack of government support for the wine industry

VI. DECISION:



Ian Waddell
Minister



Doug Browne
Manager, Special Retail Programs
(604) 252-3033
May 4, 1998



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

May 3, 2001

John Shantz, General Manager
B.C. Wine Institute
9312 Jubilee Road
PO Box 1440
Summerland, B.C. V0H 1Z0

Dear John:

I enclose a letter addressed to you from the Honourable Gerard Janssen, Minister responsible for the Liquor Distribution Branch along with new five-year term certificates of appointment issued for the B.C. VQA Wine Stores noted below.

Minter's Country Wines, Chilliwack
The Arrowsmith Wine Shoppe, Parksville
Carol's VQA Wines, Coquitlam

Please ensure that the original certificate of appointment is provided to the operators of the wine stores involved and that they are displayed in a highly visible location within the store area.

Yours truly,

Stephanie M. Watts
Industry Programs Coordinator
Corporate Policy

Enclosures



#947

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

CAROL'S VQA WINES

located at

B4 - 1410 PARKWAY BOULEVARD
COQUITLAM, BRITISH COLUMBIA

for a period of five years commencing

MAY 1, 2001, until **APRIL 30, 2006**

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

C. Janssen
for Honourable Gerard Janssen
Minister Responsible for the
Liquor Distribution Branch

April 30, 2001
Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 12, 1999

Via Courier

Ms. Carol Briggs
Carol's VQA Wine
B4 - 1410 Parkway Boulevard
Coquitlam, B.C.,
V3E 2X8

Dear Carol:

Re: Certificate of Appointment - VQA Wine store #947

I am pleased to enclose a new Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute (BCWI) for the establishment of a wine store at your Westwood Plateau Village premises in Coquitlam.

Please ensure that the new certificate is displaced in a prominent location within the retail store area at all times.

Please accept my best wishes for your success in your new business venture.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Ms. C. Beilert, BCWI
Mr. B. Hall, Director, Store Operations



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

April 12, 1999

Ms. Connie Beilert
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear Connie:

I am pleased to enclose a letter addressed to the B.C. Wine Institute from the Honourable Ian Waddell along with a copy of the certificate of appointment issued for the VQA Wine Store at the Westwood Plateau Village in Coquitlam. I have taken the liberty of forwarding the original certificate directly to the stores operator for display within the store area.

Further, I enclose a copy of Schedule "A" - Site Plan 8 for attachment to your copy of the Institutes Wine Store Agreement.

Please call me if you have questions at (604) 252-3039.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures



TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: March 31, 1999

FROM: Jay Chambers, General Manager

RE: VQA WINE STORE APPOINTMENT

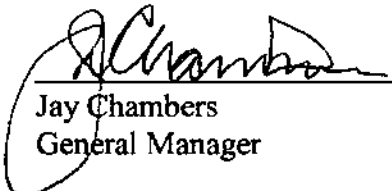
The British Columbia Wine Institute (BCWI) has requested approval to establish a new VQA wine store for the sale of VQA wines at the site noted below.

<u>Business Name</u>	<u>Location</u>	<u>Term</u>
Carol's VQA Wines	Westwood Plateau Village	April 5, 1999
	Coquitlam	April 4, 2001

The new site has fully complied with the Liquor Distribution Branch (LDB) location requirements and has received approval from the local municipality.

Please indicate your decision on the bottom of this page. Should the appointment be approved, please sign the attached letter and certificate and return to the LDB in the envelope provided.

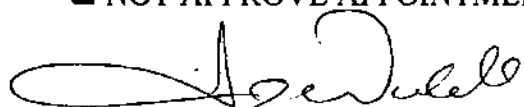
☒ CONCUR WITH APPOINTMENT
☐ NOT CONCUR WITH APPOINTMENT


Jay Chambers
General Manager


Philip G. Halkett
Deputy Minister

Pursuant to Section 18(5) of the *Liquor Distribution Act* and considering that the public will be better served, I hereby appoint the BCWI as an *agent* at the site noted, and for the term specified, provided that it *enter* into and *adhere* to the appropriate winery store agreement.

☒ APPROVE APPOINTMENT
☐ NOT APPROVE APPOINTMENT


Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch


Date: April 1, 1999

Attachments



APR 01 1999

Connie Beilert
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear Connie Beilert:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located at the Westwood Plateau Village in Coquitlam.

This appointment provides for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Institutes commitment to take up this responsibility is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "I. Waddell".

Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



BRITISH
COLUMBIA

STORE # 947

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE
operating the premises known as


CAROL'S VQA WINES

located at WESTWOOD PLATEAU VILLAGE
B4 - 1410 PARKWAY BOULEVARD
COQUITLAM,

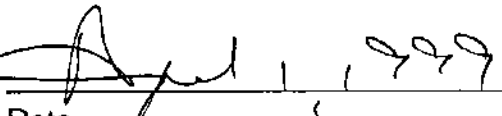
British Columbia, has been
appointed as an agent for the period commencing

APRIL 5, 1999, until APRIL 4, 2001,

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch

Date


April 1, 1999

**BRITISH
COLUMBIA
WINE
INSTITUTE**

March 23, 1999

Mr. Doug Browne
BC Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC
V5M 3T5

Dear Doug:

Re: VQA Wine Store Proposal

I wish to confirm that the board of the British Columbia Wine Institute has given final approval to Carol Briggs to establish a VQA wine store at Westwood Plateau Village in Coquitlam.

This would of course, be subject to agreement with Liquor Distribution Branch that all of your requirements have, or will be met. If you wish to discuss this please give me a call at my winery - 250-494-0451.

Yours very truly,
British Columbia Wine Institute

Per:

Harry McWatters,
VQA Store Committee

BRITISH COLUMBIA WINE INSTITUTE

VQA WINE STORE PROGRAM

Agreement

BETWEEN:

The British Columbia Wine Institute (BCWI)

AND:

CAROL BRIGGS
(Operator)

Whereas:

- A. The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores.
- B. In agreement with the British Columbia Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI.

1. Title:

1.1 The Operator acknowledges and agrees that the license to operate the VQA Store is owned by the BCWI and shall remain the sole property and right of BCWI at all times.

2. Location:

2.1 The proposed location of the store has been chosen by the Operator and approved by the BCWI, however BCWI makes no representations whatsoever as the suitability of this location as a viable business location or otherwise. No change of location may be made without the prior written consent of the BCWI.

2.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.

2.3 The Operator agrees to furnish evidence that the VQA Store meets all provincial and municipal licensing and operating requirements. It is the Operator's responsibility to obtain and maintain such approvals and to continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

3. Size

3.1 The retail portion of the VQA Store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

4. Product

4.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.

4.2 No winery is obliged to consign product to the Operator.

4.3 The Operator is required to list for sale in the VQA Store, any VQA wine that a member winery of the BCWI requests them to list for sale and supplies to the operator for the purpose of sale.

4.4 The Operator should normally order in case lot quantities on a weekly basis from each consigning winery. The Operator is required to order sufficient inventory to be on hand to, in normal circumstances, have a complete inventory of products for sale at all times, subject to availability. The Operator is not responsible for stock-outs that are the result of unexpected demand or failure

4.5 The Operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4.6 All product supplied by any of the wineries shall at all times be kept on the VQA Store premises, unless the Operator shall have received the prior written approval of BCWI, in which case product permitted to be kept off the VQA Store premises shall be returned to and kept at the VQA Store as soon as reasonably possible.

4.7 The Operator will keep the VQA Store in a neat and tidy condition and refit and refurbish from time to time so as to maintain a high quality and respectable premises.

4.8 BCWI may require upgrades to equipment and the Operator shall promptly comply with such requirements. If to do so would cause hardship to the Operator then the Operator may request from the BCWI time to comply. BCWI shall consider such request and advise the Operator what if any extensions of time it will grant. BCWI shall be under no obligation to give any extensions.

5. Financial Considerations

5.1 The Operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI as payment for product sold on consignment and for charges and fees to BCWI.

5.2 The Operator may mark-up and retain all profits on allied merchandise.

5.3 The Operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form required by the BCWI and the LDB.

5.4 The Operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis or such other basis as may be required by BCWI from time to time. Failure to do so may result in immediate cancellation of the Agreement to operate the VQA Store as well as the seizure of all wines by or on behalf of consigning wineries or by BCWI. Such action may be taken without notice. The operator hereby irrevocably grants unrestricted access (including right to forced entry) to BCWI, its employees, agents and contractors for such purpose.

5.5 The Operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.

5.6 Shipping costs to the store are the responsibility of the consigning winery.

5.7 The Operator shall enter into a standard form consignment agreement with BCWI on behalf of consigning wineries, including renewals and amendments that may be required by BCWI from time to time.

5.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement in BCWI sole discretion.

5.9 Tenant Insurance shall be obtained and maintained by the Operator including, but not limited to, fire and theft and liability on terms and conditions and in such amounts and with a carrier approved or required by BCWI. The BCWI may make (but shall be under no obligation to do so) efforts to include Operators in their blanket liability insurance but the costs of doing so are the Operator's responsibility.

5.10 Operators must submit to the BCWI the GST payable on the 76% of the BCWI's portion of the wine sales. The Operator shall be responsible for the submission of the remaining GST to the Government of Canada. The Operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

6. Promotions

6.1 Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB and BCWI Sampling Guidelines, in effect from time to time. A winery may have, at their expense, a separate display during samplings.

6.2 Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.

6.3 Wines must be shelved by winery using a waterfall shelving approach.

6.4 Wineries will be listed in the store alphabetically.

6.5 All products must have the same number of facings.

6.6 The Operator may use point of sale promotions or shelf talkers. If so used, these opportunities must be equitably offered to the consigning wineries.

6.7 The Operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.

6.8 The Operator is required to carry and display any information brochures from consigning wineries; it is at the wineries discretion to offer such brochures.

6.9 The Operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.

6.10 The Operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the Operator in the VQA program.

6.11 The Operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the Operator.

6.12 The Operator is expected to be open seven days per week unless otherwise agreed to in advance in writing by the BCWI or as required by LDB. Operators need not be open Christmas Day.

6.13 The Operator shall not sell to licensees.

6.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.

6.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).

7. Operators

7.1 Operators or their business partners may not hold an interest in any British Columbia winery, agency or other beverage alcohol manufacturer or supplier or any other Operator of a liquor retailer at any time while they are operating the VQA Store.

7.2 The Operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.

7.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI.

8. Allied Products

8.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

9. Agreement

9.1 This Agreement shall be for a period of one year, being from APRIL 1/99 to APRIL 1, 2000. This Agreement may be renewed for a further one year at the discretion of the Operator and BCWI so long as the Operator is in compliance with all terms of this Agreement and meets sales standards and quota and pays the current renewal fee to BCWI. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.

9.2 This Agreement may be terminated at any time BCWI, without notice for failure by the operator to perform or comply with all of its obligations within this contract or any rules, regulations or guidelines of either LDB or BCWI.

10. General Terms

10.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:

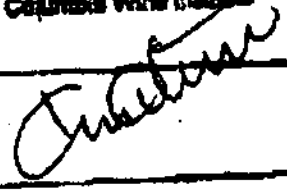
For the BCWI:

President
British Columbia Wine Institute
178 - 1865 Kinsmen Rd
Vancouver, B.C., V1Y 4N7 Fax 250-882-8870


For the Operator:

Signed this 16 day of February, 1998 in Vancouver,
B.C.

On behalf of the
British Columbia Wine Institute



On behalf of the Operator



Corporate Seal
574541

**BRITISH
COLUMBIA
WINE
INSTITUTE**

December 18, 1998

Mr. Doug Browne
BC Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC
V5M 3T5

Dear Doug:

Re: VQA Wine Store Proposal

I am forwarding you a proposal from Carol Briggs to establish a VQA wine store at Westwood Plateau Village in Coquitlam.

The Board of the British Columbia Wine Institute has reviewed this proposal and accepted it subject to a credit and reference check. While we are carrying out those checks could you please review the proposal and advise if it meets the requirements of LDB.

Our next board meeting is mid-January. I would like to take this back to the board at that time for final approval.

Thanks for your consideration of this matter Doug. If you wish to discuss this please give me a call at my winery - 250-494-0451.

Yours very truly,
British Columbia Wine Institute
Per:

Harry McWatters,
VQA Store Committee

s.22

November 10, 1998

Mr. Harry McWatters
C/O Sumac Ridge Winery
Hwy 97, PO Box 3007
Summerland, BC

Dear Harry,

Thank you for your telephone call this morning. I certainly appreciate your time spent with me. I am enclosing for your perusal all that you asked I send as well as further information on the area, a brief marketing plan as well as the site location, site map, list of current businesses in the mall and my proposed floor plan.

If needed I would be more than pleased to provide you with a personal financial statement but since I did not have the time to sit with my accountant, I am submitting, to the best of my knowledge a disclosure of my personal finances. My home is assessed at

s.22

s.22

Therefore at

this time my net worth is s.22

s.22

s.22

and seek a business opportunity in a different field. As a dedicated British Columbian and strong supporter of Canadian and BC Products I felt that the opportunity offered by the VQA is a perfect fit for me. Although I am lacking in wine sales experience, I do have an appreciation for good wines and have always purchased BC Wines not only as a supporter but also for their taste. I firmly believe that BC Wines as good if not better than those I have tasted from Australia, Chile, South Africa, France, Spain and Ontario!

s.22

s.22

I feel prepared me for the retail business such as the VQA. As an added benefit, my boyfriend, s.22

s.22

I hope I have provided you with all the information you need at this time. I fully expect you will want more information such as a specific marketing plan complete with sales projections and expenses. I will be more than happy to provide you with such. If you have any questions concerning this application, please feel free in contacting me at the above telephone number. I will be home all day (Nov. 11).

Once again, thank you for the time given me this morning and I certainly appreciate your speed in processing this initial application.

Yours very truly,

s.22



#949

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

THE WINE EMPORIUM

located at

MURRAYVILLE SQUARE SHOPPING CENTRE
#500 – 22259 – 48TH AVENUE
LANGLEY, BRITISH COLUMBIA

for a period of five years commencing

JUNE 14, 1999, until **JUNE 13, 2004**

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

Honourable Rick Thorpe
Minister Responsible for the
Liquor Distribution Branch

Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

TO: (See Distribution)

FROM: Stephanie Watts, Special Retail Programs, Legal Services

RE: NEW BCWI VQA WINE STORE #949

August 3, 1999

The Minister has given his approval to the British Columbia Wine Institute to establish a VQA wine store at the Panorama Village in Surrey. The following details are provided for your information.

Agent:	- British Columbia Wine Institute at "The Corkscrew"
Appointment:	- #949 VQA Wine Store
Mailing Address:	- 105 - 15153 Highway No. 10 Surrey, B.C. V3S 9A5
Telephone:	- (604) 575-0392
Store Manager:	- Jeff deCrew
Opening Date:	- August 1, 1999



Stephanie Watts
Industry Programs Coordinator

DISTRIBUTION LIST

Liquor Inspector J. Kim, Surrey
Director, Loss Prevention
Chief Auditor
Director of Store Operations
Area Manager #2
Supervisor, Data Management
Supervisor, Mailroom

Circ.Mem.5



June 15, 1999

Mr. John Shantz, General Manager
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear John:

I am pleased to enclose a letter addressed to you from the Honourable Ian G. Waddell along with copies of new certificates of appointment and site plans for the locations noted below. The original certificates have been forwarded to the store operators involved for display within their store area.

- The Arrowsmith Wine Shoppe in Parksville - Schedule "A" - Site Plan 3.
- The Corkscrew at Panarama Village, Surrey - Schedule "A" - Site Plan 9.
- Minter's Country Wines, Bunker Road, Rosedale - Schedule "A" - Site Plan. Site Plan 10A. (Site Plan 10B that reflects the alternate site at Young Road in Chilliwack will be sent to you in due course.)

Please attach the new site plans to your copy of the Agreement.

If you have any questions please call at (604) 252-3039.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosure



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

June 15, 1999

Jeff and Kelley deCrew
DeCrew Wine Merchants Inc.
5181 - 56th Avenue
Surrey, B.C.
V4K 3T8

Dear Jeff and Kelley:

Re: Certificate of Appointment - VQA Wine store #949

I am pleased to enclose a new Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute (BCWI) for the establishment of a wine store at your Panarama Village premises in Surrey.

Please ensure that the new certificate is displaced in a prominent location within the retail store area at all times.

Please accept my best wishes for your success in your new business venture.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Mr. J. Shantz, BCWI
Mr. B. Hall, Director, Store Operations



TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: June 3, 1999

FROM: Jay Chambers
General Manager


RE: VQA WINE STORE APPOINTMENT PROPOSALS


The British Columbia Wine Institute (BCWI) has requested approval to establish new VQA wine stores for the sale of VQA wines at the sites noted below.

The new sites have fully complied with the Liquor Distribution Branch (LDB) location requirements and have received approval from the local municipalities.

Please indicate your decision by signing below. Should the appointments be approved, please sign the attached letter and certificates and return to the LDB in the envelope provided.

☒ CONCUR WITH APPOINTMENTS
☐ NOT CONCUR WITH APPOINTMENTS


Jay Chambers
General Manager

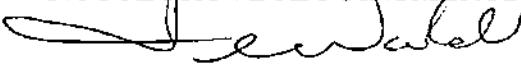

Philip G. Halkett
Deputy Minister

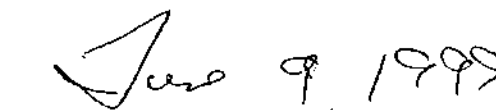
Business

<u>Name</u>	<u>Location</u>	<u>Term</u>
The Corkscrew	Panorama Village Surrey	June 14, 1999 June 13, 2001
Minter's Country Wines	Minter Garden Chilliwack	June 14, 1999 June 13, 2001

Pursuant to Section 18(5) of the *Liquor Distribution Act* and considering that the public will be better served, I hereby appoint the BCWI as agents at the sites noted, and for the terms specified, provided that they enter into and adhere to the appropriate winery store agreement.

☒ APPROVE APPOINTMENTS
☐ NOT APPROVE APPOINTMENTS


Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch


Date



JUN -8. 1999

John Shantz
General Manager
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear John Shantz:

It is my pleasure to provide you with the enclosed certificates, which signify the British Columbia Wine Institute's appointment as an agent of the Province at the wine store premises located at Panorama Village Shopping Centre, Surrey and Minter Country Gardens, Chilliwack.

These appointments provide for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Wine Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Wine Institute's commitment to take up this responsibility is appreciated.

Yours truly,

A handwritten signature in dark ink, appearing to read "Ian G. Waddell".

Ian G. Waddell
Minister Responsible for
the Liquor Distribution Branch

enclosures



BRITISH
COLUMBIA

STORE # 949

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE

operating the premises known as


THE CORKSCREW

located at PANORAMA VILLAGE SHOPPING CENTRE
105 - 15153 HIGHWAY 10

SURREY, British Columbia, has been
appointed as an agent for the period commencing

JUNE 14, 1999, until JUNE 13, 2001,

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch

June 8, 1999
Date

BRITISH COLUMBIA WINE INSTITUTE**VQA WINE STORE PROGRAM****Agreement****BETWEEN:**

The British Columbia Wine Institute (BCWI)

AND:

JEFF & KELLY DE CREWE
(Operator)

Whereas:

- A. The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores.
- B. In agreement with the British Columbia Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI.

1. Title:

- 1.1 The Operator acknowledges and agrees that the license to operate the VQA Store is owned by the BCWI and shall remain the sole property and right of BCWI at all times.

2. Location:

- 2.1 The proposed location of the store has been chosen by the Operator and approved by the BCWI, however BCWI makes no representations whatsoever as the suitability of this location as a viable business location or otherwise. No change of location may be made without the prior written consent of the BCWI.

- 2.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.
- 2.3 The Operator agrees to furnish evidence that the VQA Store meets all provincial and municipal licensing and operating requirements. It is the Operator's responsibility to obtain and maintain such approvals and to continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

3. Size

- 3.1 The retail portion of the VQA Store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

4. Product

- 4.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.
- 4.2 No winery is obliged to consign product to the Operator.
- 4.3 The Operator is required to list for sale in the VQA Store, any VQA wine that a member winery of the BCWI requests them to list for sale and supplies to the operator for the purpose of sale.
- 4.4 The Operator should normally order in case lot quantities on a weekly basis from each consigning winery. The Operator is required to order sufficient inventory to be on hand to, in normal circumstances, have a complete inventory of products for sale at all times, subject to availability. The Operator is not responsible for stock-outs that are the result of unexpected demand or failure
- 4.5 The Operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4.6 All product supplied by any of the wineries shall at all times be kept on the VQA Store premises, unless the Operator shall have received the prior written approval of BCWI, in which case product permitted to be kept off the VQA Store premises shall be returned to and kept at the VQA Store as soon as reasonably possible.

4.7 The Operator will keep the VQA Store in a neat and tidy condition and refit and refurbish from time to time so as to maintain a high quality and respectable premises.

4.8 BCWI may require upgrades to equipment and the Operator shall promptly comply with such requirements. If to do so would cause hardship to the Operator then the Operator may request from the BCWI time to comply. BCWI shall consider such request and advise the Operator what if any extensions of time it will grant. BCWI shall be under no obligation to give any extensions.

5. Financial Considerations

5.1 The Operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI as payment for product sold on consignment and for charges and fees to BCWI.

5.2 The Operator may mark-up and retain all profits on allied merchandise.

5.3 The Operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form required by the BCWI and the LDB.

5.4 The Operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis or such other basis as may be required by BCWI from time to time. Failure to do so may result in immediate cancellation of the Agreement to operate the VQA Store as well as the seizure of all wines by or on behalf of consigning wineries or by BCWI. Such action may be taken without notice. The operator hereby irrevocably grants unrestricted access (including right to forced entry) to BCWI, its employees, agents and contractors for such purpose.

- 5.5 The Operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.
- 5.6 Shipping costs to the store are the responsibility of the consigning winery.
- 5.7 The Operator shall enter into a standard form consignment agreement with BCWI on behalf of consigning wineries, including renewals and amendments that may be required by BCWI from time to time.
- 5.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement in BCWI sole discretion.
- 5.9 Tenant insurance shall be obtained and maintained by the Operator including, but not limited to, fire and theft and liability on terms and conditions and in such amounts and with a carrier approved or required by BCWI. The BCWI may make (but shall be under no obligation to do so) efforts to include Operators in their blanket liability insurance but the costs of doing so are the Operator's responsibility.
- 5.10 Operators must submit to the BCWI the GST payable on the 76% of the BCWI's portion of the wine sales. The Operator shall be responsible for the submission of the remaining GST to the Government of Canada. The Operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

6. Promotions

- 6.1** Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB and BCWI Sampling Guidelines, in effect from time to time. A winery may have, at their expense, a separate display during samplings.
- 6.2** Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.
- 6.3** Wines must be shelved by winery using a waterfall shelving approach.
- 6.4** Wineries will be listed in the store alphabetically.
- 6.5** All products must have the same number of facings.
- 6.6** The Operator may use point of sale promotions or shelf talkers. If so used, these opportunities must be equitably offered to the consigning wineries.
- 6.7** The Operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.
- 6.8** The Operator is required to carry and display any information brochures from consigning wineries; it is at the wineries discretion to offer such brochures.
- 6.9** The Operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.
- 6.10** The Operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the Operator in the VQA program.

- 6.11 The Operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the Operator.
- 6.12 The Operator is expected to be open seven days per week unless otherwise agreed to in advance in writing by the BCWI or as required by LDB. Operators need not be open Christmas Day.
- 6.13 The Operator shall not sell to licensees.
- 6.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.
- 6.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).

7. Operators

- 7.1 Operators or their business partners may not hold an interest in any British Columbia winery, agency or other beverage alcohol manufacturer or supplier or any other Operator of a liquor retailer at any time while they are operating the VQA Store.
- 7.2 The Operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.
- 7.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI.

8. Allied Products

- 8.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

9. Agreement

- 9.1 This Agreement shall be for a period of one year, being from ~~February 2nd, 1999~~ ^{28 May} to ~~January 31, 2000~~ ^{May 31}. This Agreement may be renewed for a further one year at the discretion of the Operator and BCWI so long as the Operator is in compliance with all terms of this Agreement and meets sales standards and quota and pays the current renewal fee to BCWI. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.
- 9.2 This Agreement may be terminated at any time BCWI, without notice for failure by the operator to perform or comply with all of it's obligations within this contract or any rules, regulations or guidelines of either LDB or BCWI.

10. General Terms

- 10.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:

For the BCWI:

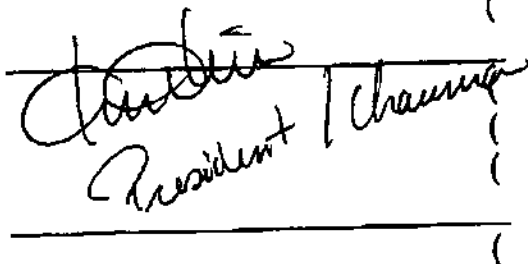
Chairman
British Columbia Wine Institute
175 - 1855 Kirschner Rd
Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870

For the Operator:

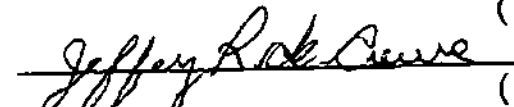
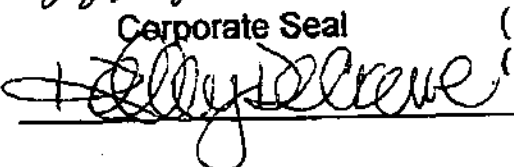
Jeff & Kelly De Crewe
5181 56st Delta
Ladner, B.C.
V4K 2Y3

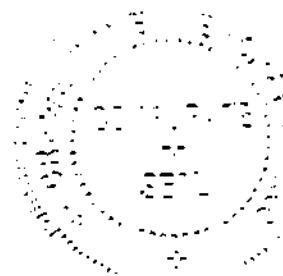
Signed this 28 day of MAY, 1999 in LADNER,
B.C.

On behalf of the
British Columbia Wine Institute


President / Chairman

On behalf of the Operator


Corporate Seal




Doug Browne@ldb.gov, 01:27 PM 4/9/99, VQA Wine Stores

To: Doug Browne@ldb.gov.bc.ca
From: John Shantz <johns@vip.net>
Subject: VQA Wine Stores
Cc:
Bcc:
X-Attachments:

Doug,

Further to our telephone discussion of today, the BCWI is considering the following four applicants for VQA wine store operations. I appreciate your agreeing to get the LDB review process underway.

Minter Gardens
Brian and Faye Minter
604-792-6612

They propose to operate from the gardens site during the months that facility is open at 10015 Young Road North in Chilliwack. During the off months they propose to operate from their garden store at 45675 Knight Road in Sardis. They report that both are at least 1.5 km from the nearest outlet (the latter just makes it I understand).

Terry Quick
250-248-8118

He proposes to take over the existing VQA wine store operation in Ladysmith and relocate it to 253 Finholm Street, cornering on the Island Highway, in Parksville. He reports that this location is 1.6 km from the nearest established outlet.

Jeff and Kelley Decrewe
604-940-0959

Jeff - 723 780 250 *de Cewe
Kelley - 726 882 897 Wine Mart
ANN

They propose to locate in Panofama Village, Highway 10 and 152nd Street, Surrey. They report that this is 5.5 km from the nearest established outlet.

Nuance Global Traders
Contact: Gary Branham
604-270-6289

They propose to locate in the Vancouver International Airport and may use their licence to operate more than one shop within the airport premises. We do not believe that there are any proximity conflicts.

Thank you for your assistance in this matter.

John Shantz

Printed for John Shantz <johns@vip.net>

1



November 16, 2001

Brian MacDonald and Bruce Curry
Edgemont Village Wines
3050 Edgemont Boulevard
North Vancouver, B.C.
V7R 2N4

Dear Brian and Bruce:

Re: Certificate of Appointment – VQA Wine store #963

I am pleased to enclose a new Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute (BCWI) for the establishment of a wine store at your West 41st premises located in Vancouver.

Please ensure that the new certificate is displaced in a prominent location within the retail store area at all times.

Please accept my best wishes for success at your new store location.

Yours truly,

Stephanie M. Watts
Industry Programs Coordinator
Corporate Policy

Enclosure

cc: Mr. L. Bykowski, President, BCWI
Mr. B. Hall, Director, Store Operations



November 15, 2001

Via Fax: (604) 904-9463
Original to Follow Via Post

Brian MacDonald and Bruce Curry
Edgemont Village Wines
3050 Edgemont Blvd.
North Vancouver, B.C.
V7R 2N4

Dear Brian and Bruce:

This letter will confirm that the 3536 West 41st Avenue site in Vancouver has been approved for the establishment of a B.C. VQA Wine Store by the Honourable Rick Thorpe, Minister responsible for the Liquor Distribution Branch.

A new Certificate of Appointment depicting the appointment of BC VQA Wine Store #963 will be provided to you for display in the store area shortly.

If you have any questions please call me at (604) 252-3039.

Yours truly,

Stephanie M. Watts
Industry Programs Coordinator
Corporate Policy

cc: Guy Gusdal, Permits & Licenses
City of Vancouver



Province of British Columbia
LIQUOR DISTRIBUTION BRANCH
2625 Rupert Street
Vancouver, BC V5M 3T5

FACSIMILE TRANSMITTAL SHEET

DATE: November 15, 2001

NO. OF PAGES: 2

TO: Brian MacDonald
Edgemont Village Wines

FROM: Stephanie M. Watts
Industry Programs Coord.
Corporate Policy

FAX: (604) 904-9463

TEL: (604) 985-9463

FAX: (604) 252-3044

TEL: (604) 252-3039

SUBJECT: LETTER OF APPROVAL

Original to follow via post.

MATERIAL CONTAINED IN THIS FAX TRANSMISSION MAY BE CONFIDENTIAL, AND SHOULD BE DELIVERED ONLY TO THE ADDRESSEE. IF ALL PAGES ARE NOT RECEIVED, PLEASE ADVISE THE SENDER.

ORIGINAL DOCUMENTS WILL BE:

☐ Placed in our file

☒ Mailed to you

VQA WINE STORE APPOINTMENT PROPOSAL FOR WEST 41ST AVENUE,
VANCOUVER

The announcement of the VQA Wine Store program in 1996 was based on governments approval of recommendations made by the provinces Wine and Grape Strategic Planning Committee to allow the establishment of retailing outlets for BC VQA wines in high end tourist locations throughout BC.

The appointment is held by the BC Wine Institute (BCWI), and as the agent was given the opportunity to establish a number of stores (10 – 12). The stores operators are subcontracted by the BCWI.

The proposed West 41st store will be managed by the persons that currently operate the VQA Wine Store located at Edgemont Village in North Vancouver.

There are currently 10 VQA Wine Stores in operation.



Ref: #28623

TO: Honourable Rick Thorpe
Minister Responsible for the
Liquor Distribution Branch

DATE: October 30, 2001

FROM: Jay Chambers, General Manager

RE: VQA WINE STORE APPOINTMENT


The British Columbia Wine Institute (BCWI) has requested approval to establish a new VQA wine store for the sale of VQA wines at the site noted below.


<u>Business Name</u>	<u>Location</u>	<u>Term</u>
Village VQA Wines	3536 West 41 st Avenue Vancouver	November 15, 2001 November 14, 2006

The new site has fully complied with the Liquor Distribution Branch (LDB) location requirements and has received approval from the local municipality.

Please indicate your decision on the bottom of this page. Should the appointment be approved, please sign the attached letter and certificate and return to the LDB in the envelope provided.

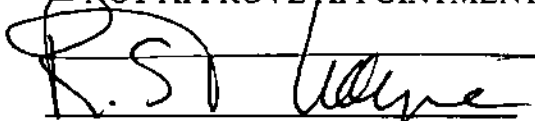
☒ CONCUR WITH APPOINTMENT
☐ NOT CONCUR WITH APPOINTMENT

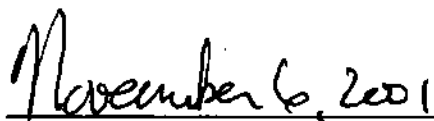

Jay Chambers
General Manager


Donald Leitch
Deputy Minister

Pursuant to Section 18(5) of the *Liquor Distribution Act* and considering that the public will be better served, I hereby appoint the BCWI as an *agent* at the site noted, and for the term specified, provided that it *enter* into and *adhere* to the appropriate winery store agreement.

☒ APPROVE APPOINTMENT
☐ NOT APPROVE APPOINTMENT


Honourable Rick Thorpe
Minister Responsible for the
Liquor Distribution Branch


Date:

Attachments



November 7, 2001

Ref: #28623

Mr. Len Bykowski, President
British Columbia Wine Institute
9312 Jubilee Road
P.O. Box 1440
Summerland, British Columbia
V0H 1Z0

Dear Mr. Bykowski:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located at 3536 West 41st Avenue, Vancouver.

This appointment provides for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Institutes commitment to take up this responsibility is appreciated.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Thorpe'.

Rick Thorpe
Minister Responsible for the
Liquor Distribution Branch



#963

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

VILLAGE VQA WINES

located at

3536 WEST 41ST AVENUE
VANCOUVER, BRITISH COLUMBIA

for a period of five years commencing

NOVEMBER 15, 2001, until **NOVEMBER 14, 2006**

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

Honourable Rick Thorpe
Minister Responsible for the
Liquor Distribution Branch

Date

BRITISH COLUMBIA WINE INSTITUTE

VQA WINE STORE PROGRAM

Agreement

BETWEEN:

The British Columbia Wine Institute (BCWI)

AND:

BRIAN MINTER AND FAYE MINTER
(Operator)

Whereas:

- A. The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores.
- B. In agreement with the British Columbia Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI.

1. Title:

1.1 The Operator acknowledges and agrees that the license to operate the VQA Store is owned by the BCWI and shall remain the sole property and right of BCWI at all times.

2. Location:

2.1 The proposed location of the store has been chosen by the Operator and approved by the BCWI, however BCWI makes no representations whatsoever as the suitability of this location as a viable business location or otherwise. No change of location may be made without the prior written consent of the BCWI.

2.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.

2.3 The Operator agrees to furnish evidence that the VQA Store meets all provincial and municipal licensing and operating requirements. It is the Operator's responsibility to obtain and maintain such approvals and to continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

3. Size

3.1 The retail portion of the VQA Store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

4. Product

4.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.

4.2 No winery is obliged to consign product to the Operator.

4.3 The Operator is required to list for sale in the VQA Store, any VQA wine that a member winery of the BCWI requests them to list for sale and supplies to the operator for the purpose of sale.

4.4 The Operator should normally order in case lot quantities on a weekly basis from each consigning winery. The Operator is required to order sufficient inventory to be on hand to, in normal circumstances, have a complete inventory of products for sale at all times, subject to availability. The Operator is not responsible for stock-outs that are the result of unexpected demand or failure

4.5 The Operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4.6 All product supplied by any of the wineries shall at all times be kept on the VQA Store premises, unless the Operator shall have received the prior written approval of BCWI, in which case product permitted to be kept off the VQA Store premises shall be returned to and kept at the VQA Store as soon as reasonably possible.

4.7 The Operator will keep the VQA Store in a neat and tidy condition and refit and refurbish from time to time so as to maintain a high quality and respectable premises.

4.8 BCWI may require upgrades to equipment and the Operator shall promptly comply with such requirements. If to do so would cause hardship to the Operator then the Operator may request from the BCWI time to comply. BCWI shall consider such request and advise the Operator what if any extensions of time it will grant. BCWI shall be under no obligation to give any extensions.

5. Financial Considerations

5.1 The Operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI as payment for product sold on consignment and for charges and fees to BCWI.

5.2 The Operator may mark-up and retain all profits on allied merchandise.

5.3 The Operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form required by the BCWI and the LDB.

5.4 The Operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis or such other basis as may be required by BCWI from time to time. Failure to do so may result in immediate cancellation of the Agreement to operate the VQA Store as well as the seizure of all wines by or on behalf of consigning wineries or by BCWI. Such action may be taken without notice. The operator hereby irrevocably grants unrestricted access (including right to forced entry) to BCWI, its employees, agents and contractors for such purpose.

5.5 The Operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.

5.6 Shipping costs to the store are the responsibility of the consigning winery.

5.7 The Operator shall enter into a standard form consignment agreement with BCWI on behalf of consigning wineries, including renewals and amendments that may be required by BCWI from time to time.

5.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement in BCWI sole discretion.

5.9 Tenant insurance shall be obtained and maintained by the Operator including, but not limited to, fire and theft and liability on terms and conditions and in such amounts and with a carrier approved or required by BCWI. The BCWI may make (but shall be under no obligation to do so) efforts to include Operators in their blanket liability insurance but the costs of doing so are the Operator's responsibility.

5.10 Operators must submit to the BCWI the GST payable on the 75% of the BCWI's portion of the wine sales. The Operator shall be responsible for the submission of the remaining GST to the Government of Canada. The Operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

6. Promotions

6.1 Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB and BCWI Sampling Guidelines, in effect from time to time. A winery may have, at their expense, a separate display during samplings.

6.2 Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.

6.3 Wines must be shelved by winery using a waterfall shelving approach.

6.4 Wineries will be listed in the store alphabetically.

6.5 All products must have the same number of facings.

5

6.6 The Operator may use point of sale promotions or shelf talkers. If so used, these opportunities must be equitably offered to the consigning wineries.

6.7 The Operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.

6.8 The Operator is required to carry and display any information brochures from consigning wineries; it is at the wineries discretion to offer such brochures.

6.9 The Operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.

6.10 The Operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the Operator in the VQA program.

6.11 The Operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the Operator.

6.12 The Operator is expected to be open seven days per week unless otherwise agreed to in advance in writing by the BCWI or as required by LDB. Operators need not be open Christmas Day.

6.13 The Operator shall not sell to licensees.

6.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.

6.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).

7. Operators

7.1 Operators or their business partners may not hold an interest in any British Columbia winery, agency or other beverage alcohol manufacturer or supplier or any other Operator of a liquor retailer at any time while they are operating the VQA Store.

7.2 The Operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.

7.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI.

8. Allied Products

8.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

9. Agreement

JULY 1 9.1 This Agreement shall be for a period of one year, being from ~~February 2nd, 1999 to January 31, 2000~~ ^{JUNE 30}. This Agreement may be renewed for a further one year at the discretion of the Operator and BCWI so long as the Operator is in compliance with all terms of this Agreement and meets sales standards and quota and pays the current renewal fee to BCWI. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.

9.2 This Agreement may be terminated at any time BCWI, without notice for failure by the operator to perform or comply with all of it's obligations within this contract or any rules, regulations or guidelines of either LDB or BCWI.

10. General Terms

10.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:

7

For the BCWI:

Chairman
British Columbia Wine Institute
175 - 1855 Kirschner Rd
Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870.

For the Operator:

Signed this 23rd day of April, 1999 in Chilliwack
B.C.

On behalf of the
British Columbia Wine Institute

Fred Turner
Chairman

On behalf of the Operator

(BRIAN MINTER
(FAYE MINTER

[Signature]
Corporate Seal

- 1 ● Chilliwack 1 ● (2)
- 2 - ~~Sardis~~ 2
- 3 - Rosedale (1)



John Shantz <johns@vip.net> on 04/09/99 02:19:36 PM

To: Doug Browne/BCLDB/CA@BCLDB
cc:
Subject: VQA Wine Stores

Doug,

Further to our telephone discussion of today, the BCWI is considering the following four applicants for VQA wine store operations. I appreciate your agreeing to get the LDB review process underway.

→ Minter Gardens
Brian and Faye Minter
604-792-6612

They propose to operate from the gardens site during the months that facility is open at 10015 Young ~~Road~~ North in Chilliwack. During the off months they propose to operate from their garden store at 45675 Knight Road in Sardis. They report that both are at least 1.5 km from the nearest outlet (the latter just makes it I understand).

Y Terry Quick
250-248-8118

Chill Mall
147-45610

Salish Plaza

447-45610 40640

Yale Road

Luckakuckway

9260 Young St
Empress

8247 Young St

Mike's

43971 Industrial
Best West

He proposes to take over the existing VQA wine store operation in Ladysmith and relocate it to 253 Finholm Street, cornering on the Island Highway, in Parksville. He reports that this location is 1.6 km from the nearest established outlet.

319B

East Island Hwy

Wanble

23-826

Island Hwy

181 Island Hwy
Island Hall Hotel

credit → Jeff and Kelley Decrewe
604-940-0959

They propose to locate in Panorama Village, Highway 10 and 152nd Street, Surrey. They report that this is 5.5 km from the nearest established outlet.

10176 - 154th Street

1632

152 Street

8904

152 -

King George
Hwy?

→ Nuance Global Traders
Contact: Gary Branham
604-270-6289

They propose to locate in the Vancouver International Airport and may use their licence to operate more than one shop within the airport premises. We do not believe that there are any proximity conflicts.

✓ more than one?

Thank you for your assistance in this matter.

Fax From: John T. Shantz
General Manager
British Columbia Wine Institute

175 - 1855 Kirschner Road
Kelowna BC Canada V1Y 4N7

Telephone: (250) 762-4887

Facsimile: (250) 862-8870

Toll free: 1-800-661-2294

Res. Tel/Fax: (250) 494-7131

e-mail: johns@silk.net

To: Doug Browne
Liquor Distribution Branch

Date: April 19, 1999

Re: VQA Wine Store Applications

1 Page(s)

Doug,

Confirming our telephone conversation of this morning:

At its conference call meeting of April 16, 1999 the board of the BCWI passed a motion to endorse the following applications for VQA wine store licences:

1. Nuance Global Traders at the Vancouver International Airport
2. Minter Gardens in Rosedale/Chilliwack.
3. Jeff de Crewe in Surrey (this subject to a satisfactory credit check, currently underway).
4. Terry Quick, to assume the existing licence in Ladysmith. The proposal to relocate this operation to Parksville was not endorsed, however, since the proposed location did not meet the proximity requirement. (I understand that Quick is unlikely to pursue his application without the Parksville approval.)

I understand that the applicants will now be dealing directly with you, the BCWI will conclude contracts with the operators once the LDB formalities have been completed.

John



STORES/NURSERIES
FLORISTS

Chilliwack, B.C., Canada

Country Garden Store & Nursery
Sardis: 45675 Knight Road - (604) 858-6162
Chilliwack: 10015 Young Road N. V2P 4V4
(604) 792-6612 or 792-3919
Toll-free: 1-800-661-3919
Fax: (604) 792-8893

FAX TRANSMISSION SHEET

March 24, 1999

To: BC Wine Institute

Fax: 862-8870

Attention: Connie

Further to our conversation with Mr. McWaters, we would very much appreciate being able to set up a VQA store at our destination garden center at 10015 Young Street North in Chilliwack to extend the sales opportunities while Minter Gardens is closed for the season.

We do a very large Christmas business, and it would be a wonderful opportunity to boost our BC wines and ice wine sales at that time of year. We have a very attractive 500 sq. ft. building on our property to accommodate the store, or we could incorporate it into our main store, if that would be a preference. Our property is located 1.5km from the closest beer and wine store.

Again, we are excited about the opportunity to promote and sell BC wines, and we look forward to a positive response.

Sincerely,

Brian and Faye Minter
Owners

BM/jc

_____ sheet/s to follow



2892 Bunker Road,
Sosedale, British Columbia,
Canada

Mailing Address:
P.O. Box 40, Chilliwack,
British Columbia,
Canada V2P 6H7

(604) 794-7191 April
through October

(604) 792-3799 November
through March

Toll Free: 1-888-646-8377
Website: <http://www.minter.org>
Email: minter@minter.org



Located in Minter Gardens

For reservations phone
(604) 794-7044



January 27, 1999

#6

B. C. Wine Institute
175 - 1855 Kirschner Road
Kelowna, B. C.
Canada

Dear Connie:

Thank you for sending the information outlining the criteria for a VQA store. We are excited about the opportunity to participate with the British Columbia Wine Institute and think we can be of great assistance in promoting our fabulous B. C. wines.

Minter Gardens is a 27-acre, world class show garden started in 1980 by the owners, Brian and Faye Minter. Located at the eastern end of the Fraser Valley on the Trans Canada Highway near the destination Harrison Hot Springs, Minter Gardens attracts over 100,000 visitors each year.

We are an adult attraction with the majority of our visitors in the 30-60 year old age range, most arriving as couples. The vast majority of guests arrive from over 350 miles away and are mainly American, Oriental and European. The tour coach industry plays a major role in our business with over 1,000 buses arriving each year.

Incorporated within this garden attraction we currently have two licensed restaurants featuring B. C. wines and a "Canadiana" gift shop. We host many special events including Western Canada's largest Concours quality vintage car show.

This year on B. C. Day, the "Taste of B. C." event in conjunction with the Farm Direct Marketing Group and the B. C. Ministry of Agriculture will also be held at Minter Gardens.

We are also now initiating a Japanese gardening school in cooperation with the major Japanese tour companies and they have indicated a high interest in B. C. wines.

We are excited about the possibility of a VQA store because it would fit so perfectly with demographics of our current visitors. The wine tasting aspect would serve as a further attraction to Minter Gardens. It would also be an added attraction for our current tour companies who travel to and from the Rockies without going to the

GARDEN
STOCKS/NURSERIES
FLOWERS
Chilliwack & Sardinia



52892 Bunker Road,
Rosedale, British Columbia,
Canada

Mailing Address:
P.O. Box 40, Chilliwack,
British Columbia,
Canada V2P 6H7

(604) 794-7191 April
through October

(604) 792-3799 November
through March

Toll Free: 1-888-646-8377
Website: <http://www.minter.org>
Email: minter@minter.org



Located in Minter Gardens

For reservations phone
(604) 794-7044

**MINTER
COUNTRY**

Okanagan. We would also be a viable option to local tour operators who may not have Okanagan wine tour itineraries.

We are located 2.8 kilometres away from the nearest pub and wine store and are in a region that is becoming a major visitor destination.

If our proposal is accepted, we would situate our VQA wine shop next to our gift shop in a beautiful area at the entrance to Minter Gardens. The area is highly visible from our main courtyard and is approximately 600 square feet which, with sufficient demand, could be expanded. Although we are open seasonally April through October, we do a high volume of business in a very professional environment.

Minter Gardens is solid financially and is internationally acclaimed. We will be continually expanding, adding new features to ultimately become a one day destination.

We have a great relationship with B. C. wine producers, and believe in their product and would welcome the opportunity to showcase them to our visitors from around the world.

Sincerely, *Brian & Faye Minter*

Brian & Faye Minter,
President/Secretary,
Minter Gardens

BM/lmb



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

June 15, 1999

Mr. and Mrs. B. Minter
Minter Country Gardens.
10015 Young Road North
Chilliwack, B.C.,
V2P 4V4

Dear Mr. and Mrs. Minter:

Re: Certificate of Appointment - VQA Wine store #950

I am pleased to enclose a new Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute (BCWI) for the establishment of a wine store at your Minter Country Garden premises in Rosedale.

Please ensure that the new certificate is displaced in a prominent location within the retail store area at all times.

Please accept my best wishes for your success in your new business venture.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosures

cc: Mr. J. Shantz, BCWI
Mr. B. Hall, Director, Store Operations



TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: June 3, 1999

FROM: Jay Chambers
General Manager


RE: VQA WINE STORE APPOINTMENT PROPOSALS


The British Columbia Wine Institute (BCWI) has requested approval to establish new VQA wine stores for the sale of VQA wines at the sites noted below.

The new sites have fully complied with the Liquor Distribution Branch (LDB) location requirements and have received approval from the local municipalities.

Please indicate your decision by signing below. Should the appointments be approved, please sign the attached letter and certificates and return to the LDB in the envelope provided.

☒ CONCUR WITH APPOINTMENTS
☐ NOT CONCUR WITH APPOINTMENTS


Jay Chambers
General Manager

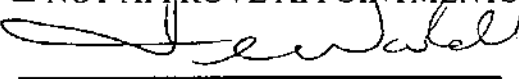

Philip G. Halkett
Deputy Minister


Business

<u>Name</u>	<u>Location</u>	<u>Term</u>
The Corkscrew	Panorama Village	June 14, 1999
	Surrey	June 13, 2001
Minter's Country Wines	Minter Garden	June 14, 1999
	Chilliwack	June 13, 2001

Pursuant to Section 18(5) of the *Liquor Distribution Act* and considering that the public will be better served, I hereby appoint the BCWI as agents at the sites noted, and for the terms specified, provided that they enter into and adhere to the appropriate winery store agreement.

☒ APPROVE APPOINTMENTS
☐ NOT APPROVE APPOINTMENTS


Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch


Date



JUN -8. 1999

John Shantz
General Manager
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear John Shantz:

It is my pleasure to provide you with the enclosed certificates, which signify the British Columbia Wine Institute's appointment as an agent of the Province at the wine store premises located at Panorama Village Shopping Centre, Surrey and Minter Country Gardens, Chilliwack.

These appointments provide for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Wine Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Wine Institute's commitment to take up this responsibility is appreciated.

Yours truly,

A handwritten signature in black ink, appearing to read "Ian G. Waddell".

Ian G. Waddell
Minister Responsible for
the Liquor Distribution Branch

enclosures



BRITISH
COLUMBIA

STORE # 950

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE
operating the premises known as


MINTER'S COUNTRY WINES

located at MINTER COUNTRY GARDEN
10015 YOUNG ROAD NORTH
CHILLIWACK,

_____ British Columbia, has been
appointed as an agent for the period commencing

JUNE 14, 1999, until JUNE 13, 2001,

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch

June 8, 1999
Date



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

June 15, 1999

Mr. John Shantz, General Manager
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear John:

I am pleased to enclose a letter addressed to you from the Honourable Ian G. Waddell along with copies of new certificates of appointment and site plans for the locations noted below. The original certificates have been forwarded to the store operators involved for display within their store area.

- The Arrowsmith Wine Shoppe in Parksville - Schedule "A" - Site Plan 3.
- The Corkscrew at Panarama Village, Surrey - Schedule "A" - Site Plan 9.
- Minter's Country Wines, Bunker Road, Rosedale - Schedule "A" - Site Plan. Site Plan 10A. (Site Plan 10B that reflects the alternate site at Young Road in Chilliwack will be sent to you in due course.)

Please attach the new site plans to your copy of the Agreement.

If you have any questions please call at (604) 252-3039.

Yours truly,

Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosure



Province of
British Columbia

Liquor Distribution
Branch

2625 Rupert Street
Vancouver, British Columbia
V5M 3T5
Telephone: (604) 252-3000
Fax: (604) 252-3464

May 3, 2001

John Shantz, General Manager
B.C. Wine Institute
9312 Jubilee Road
PO Box 1440
Summerland, B.C. V0H 1Z0

Dear John:

I enclose a letter addressed to you from the Honourable Gerard Janssen, Minister responsible for the Liquor Distribution Branch along with new five-year term certificates of appointment issued for the B.C. VQA Wine Stores noted below.

Minter's Country Wines, Chilliwack
The Arrowsmith Wine Shoppe, Parksville
Carol's VQA Wines, Coquitlam

Please ensure that the original certificate of appointment is provided to the operators of the wine stores involved and that they are displayed in a highly visible location within the store area.

Yours truly,

Stephanie M. Watts
Industry Programs Coordinator
Corporate Policy

Enclosures



#950

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

MINTER'S COUNTRY WINES

located at

10015 YOUNG ROAD NORTH
CHILLIWACK, BRITISH COLUMBIA

for a period of five years commencing

MAY 1, 2001, until **APRIL 30, 2006**

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

C. Read
for Honourable Gerard Janssen
Minister Responsible for the
Liquor Distribution Branch

April 30, 2001
Date

BRITISH COLUMBIA WINE INSTITUTE



July 20, 2000

Minter Country Garden
Brian & Lisa Minter
10015 Young Road North
Chilliwack BC, V2P 4V4

Re: Contracts for VQA Wine Shop Operations

Dear Brian & Lisa;

The British Columbia Wine Institute (BCWI) holds the Liquor Distribution Branch appointments for the operation of VQA Wine Shops. Individual shops operate under contract arrangements with the BCWI. The contract with you for the Minter Gardens location has now expired.

It is the objective of the BCWI to review the contracts offered to the store operators and have a uniform form of contract drafted. We plan to have this new form of contract in place by October 1, 2000.

This is to advise you that the BCWI considers its present contract with you as VQA Wine Shop operator to continue to be in force until September 30, 2000, by which time we expect to have the new form of contract to offer as the basis for continuing operations.

Yours sincerely,

John T. Shantz
General Manager
British Columbia Wine Institute

JTS/tiz

CC: BCWI VQA Wine Shop Committee
Stephanie Watts, BCLDB
Richard Montgomery, Pushor Mitchell

9312 JUBILEE ROAD, P. O. BOX 1440, SUMMERLAND BC V0H 1Z0
TEL: 250-494-9772 FAX: 250-494-9704 TOLL FREE 1-800-661-2294

Attachment D

1

BRITISH COLUMBIA WINE INSTITUTE

VQA WINE STORE PROGRAM

Agreement

BETWEEN:

The British Columbia Wine Institute (BCWI)

and

B-DS VENTURES INC.

(Operator)

Preamble:

The British Columbia Wine Institute (BCWI), as an appointed Agent of the Province, has been given the opportunity to establish a number of "VQA" Wine Stores. In agreement with the Liquor Distribution Branch (LDB), the BCWI is entering into an agreement with the Operator to operate a Vintners Quality Alliance Store (VQA Store) on behalf of the BCWI. At all times, the license to operate the store remains with the BCWI.

1. Location:

1.1 The proposed location of the store is deemed to have a tourist component acceptable to the Province (LDB) and will be located at 242 COOK ST. - VICTORIA

1.2 The proposed location is deemed to and must continue to conform to the "Location Guidelines for VQA Wine Stores" as established by the LDB.

1.3 The operator agrees to furnish evidence that the location meets all provincial and municipal licensing and operating requirements. It is the operator's responsibility to obtain and maintain such approvals and to continue to furnish such to the BCWI. Failure to do so will be grounds to terminate this agreement.

2. Size

2.1 The retail portion of the store shall be not less than 400 square feet. The retail portion does not include storage or office areas.

3. Product

3.1 All product is on consignment from wineries. As such, all product remains the property of the winery until sold to a retail customer.

3.2 No winery is obliged to consign product to the operator.

3.3 The operator is required to list for sale in the store any VQA wine offered by a member winery of the BCWI.

3.4 The operator will normally order in case lot quantities on a weekly basis from each consigning winery. The operator is required to request sufficient inventory to be on hand to, in normal circumstances, have all products for sale at all times. The operator is not responsible for stock-outs that are the result of unexpected demand or failure

3.5 The operator is permitted to sell allied items such as glasses, T-shirts, corkscrews, books, jams or preserves subject to the conditions noted elsewhere in this Agreement.

4. Financial Considerations

4.1 The operator shall receive a 24% commission on the retail value of all wines sold. The balance is remitted to the BCWI.

4.2 The operator may mark-up and retain all profits on allied merchandise.

4.3 The operator is responsible for reporting, on a monthly basis, sales by stock keeping unit (SKU) in a manner and form acceptable to the BCWI and the LDB.

4.4 The operator must deposit with the BCWI all moneys owed to the BCWI on a weekly basis. Failure to do so may result in immediate cancellation of the Agreement to operate the store on behalf of the BCWI as well as the seizure of all wines by or on behalf of consigning wineries. Such action may be taken without notice.

4.5 The operator is responsible for all breakages or shortages occurring within the store. Product defect is the responsibility of the consigning winery. Breakages occurring during shipping are the responsibility of the consigning winery or its agent.

4.6 Shipping costs to the store are the responsibility of the consigning winery.

4.7 The operator may be required to enter into a standard form consignment agreement with consigning wineries.

4.8 Operators are expected to sell not less than \$250,000 in wine per annum. These limits are subject to review from time to time. Failure to maintain such a sales level may result in cancellation or non-renewal of this Agreement.

4.9 Tenant insurance is the responsibility of the operator including, but not limited to, fire and theft and liability. The BCWI will make its best efforts to include operators in their blanket liability insurance but the costs of doing so are the operator's responsibility.

4.10 Operators must submit to the BCWI the GST payable on the 76% of the BCWI's portion of the wine sales. The operator shall be responsible for the submission of the remaining GST to the Government of Canada. The operator will also be responsible for the submission of GST and PST to the respective Governments of Canada and British Columbia on all sales related to allied merchandise.

5. Promotions

5.1 Product sampling must be offered during all operating hours. Sampling opportunities are funded by the consigning winery and must be offered to each winery on an equitable basis. Sampling must be in accordance with LDB Sampling Guidelines. A winery may have, at their expense, a separate display during samplings.

5.2 Consigning wineries may be offered, on an equitable basis, the opportunity to perform their own in store sampling promotions or events. No winery is obliged to conduct such events.

5.3 Wines must be shelved by winery using a waterfall shelving approach.

- 5.4 Wineries will be listed in the store alphabetically.
- 5.5 All products must have the same number of facings.
- 5.6 Point of sale promotions or shelf talkers may be used by the operator. If so used, these opportunities must be equitably offered to the consigning wineries.
- 5.7 The operator must retail at LDB retail prices. No price promotions are allowed and price off or price reduction shelf talkers are not permitted.
- 5.8 The operator is required to carry and display any information brochures from consigning wineries, it is at the wineries discretion to offer such brochures.
- 5.9 The operator must use all BCWI merchandising and promotional materials that may, from time to time, be offered by the BCWI.
- 5.10 The operator must ensure that at least one senior staff member has completed VQA training as offered by the BCWI and that all staff are trained by the operator in the VQA program.
- 5.11 The operator will accept at least one major credit card and debit cards. The costs for such cards are the responsibility of the operator.
- 5.12 The operator is expected to be open seven days per week unless otherwise negotiated with the BCWI as a result of local business operating conditions. Operators need not be open Christmas Day.
- 5.13 The operator is not permitted, by provincial regulation, to sell to licensees.
- 5.14 The Operator's store must bear the approved name and signage being, "VQA Wine Store" in a form and manner acceptable to the BCWI.
- 5.15 All signage is subject to the approval of the BCWI and the Liquor Control and Licensing Branch (LCLB).
6. Operators

6.1 Operators or their business partners may not hold an interest in any B.C. winery, agency or other beverage alcohol manufacturer or supplier or any other operator of a liquor retailer,

6.2 The operator holds the sole responsibility for the success of the store. No promises are intended or implied that the success of the business is the responsibility, in any way, of the BCWI or the LDB.

6.3 The Operator warrants that the business plan submitted to the BCWI represents the Operator's best intentions and will be followed in terms of proposed store layout and site plan. The Operator warrants that the Operator has not misrepresented his or her qualifications to operate a VQA Wine Store and that the Operator will, to the best of the Operator's ability, comply with the plans as outlined in the Operator's proposal to the BCWI..

7. Allied Products

7.1 Allied products may carry generic BC Wine Country symbols and images, VQA symbols and images or be branded with VQA designated brands. If branded merchandise is carried, the opportunity to list such products shall be offered to all consigning wineries. Non-VQA branded merchandise, merchandise representing competing wine regions or companies shall not be permitted.

8. Agreement

8.1 This Agreement shall be for a period of two years, being from June³⁰ 1998 to May³¹ 2000. This Agreement may be renewed for a further two years at the discretion of the Operator so long as the Operator is in compliance with all terms of this Agreement. Failure to be in compliance gives the BCWI the right to refuse the renewal of this Agreement.

8.2 This Agreement may be terminated without notice for failure to perform any material obligation within the contract

9. General Terms

9.1 Any notices required under this Agreement shall be in writing and delivered by hand, fax or registered mail to:

For the BCWI:

Pres.
~~President~~ *GENERAL MANAGER*
British Columbia Wine Institute
175 - 1855 Kirschner Rd
Kelowna, B.C., V1Y 4N7 Fax: 250 - 862 - 8870
For the Operator:

Signed this 20 day of May, 1998 in Kelowna,
B.C.

On behalf of the
British Columbia Wine Institute

Bruce Keane G.M.

Corporate Seal

On behalf of the Operator

John Bastien - partner

Corporate Seal



May 11, 1998

Mr. G. Barlow, Mr. R. Pyatt and
Mr. I. Sutherland
Glenn Barlow Initiatives Inc.
4 - 750 Pemberton Rd.
Victoria, B.C.
V8S 3R4

Dear Messrs. Barlow, Pyatt and Sutherland:

The British Columbia Wine Institute (BCWI) has recommended that a B.C. VQA Wine Store be established at your proposed site at the Cook Street Village, Victoria, and has forwarded your application and business plan to this office for further review.

The Liquor Distribution Branch (LDB) will consider forwarding your application to the Minister Responsible for the LDB for final approval, however, prior to submitting our recommendation, additional documents in support of your application will need to be provided, including:

- ✓ 1. written confirmation from the City of Victoria that the location is zoned appropriately and that the zoning bylaws include the retail sale of wine;
2. a signed copy of the leasing arrangement currently in place with Blueagle Investments Ltd. (the "Lessor");
- ✓ 3. a signed copy of the subcontracting document between the BCWI and Glenn Barlow Initiatives Inc.;
- ✓ 4. a copy of a site plan showing the location of the proposed store within the Village, including a floor plan of the store detailing shelving and/or display units, tasting area and the location of the cash register;
- ✓ 5. the name of the store manager and a list of all store employees;
- ✓ 6. mailing address, telephone and facsimile numbers of the store, once available; along with a
- ✓ 7. list of store hours of sale and the proposed store opening date.

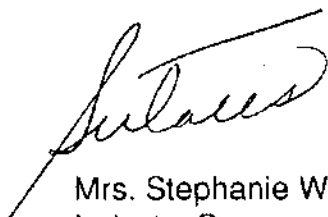
Messrs. Barlow, Pyatt and
Sutherland
Page 2
May 11, 1998

Advertising regulations fall under the jurisdiction of the Liquor Control and Licensing Branch (LCLB), and as such you will be required to obtain written approval from that branch prior to initiating any form of advertising, including signs, consumer tastings, theme night promotions, circulars, etc. Please contact Ms. Lynn Rutley, Manager Industry Relations & Advertising at (250) 387-3638 for specific regulations applicable to the advertising proposed for the retail store.

Please forward all requested documentation and/or information to my attention at the letterhead address. Our recommendation will be based on our review of the information received.

In the interim, I ask that you review the store operating procedures enclosed and encourage you to contact me at (250) 252-3039 with any questions or concerns that you may have.

Yours truly,



Mrs. Stephanie Watts
Industry Programs Coordinator
Special Retail Programs
Legal Services Department

Enclosure

cc: Mr. B. Pearce, General Manager, BCWI,
Mr. B. Loughheed, Licensing Administrator, LCLB
Mr. B. Hall, Director, Retail Services, LDB



#945

This certificate evidences that the

BRITISH COLUMBIA WINE INSTITUTE

has been appointed as an agent of the Province
for the operation of the premises known as

COOK STREET VILLAGE WINE STORE

located at

242 COOK STREET
VICTORIA, BRITISH COLUMBIA

for a period of five years commencing

JUNE 15, 2000, until **JUNE 14, 2005**

pursuant to section 18(5) of the *Liquor Distribution Act*.
The appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.

Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

Date

BRITISH COLUMBIA WINE INSTITUTE



July 20, 2000

Cook Street Village Wines
Glen Barlow
242 Cook Street
Victoria BC, V8V 3X3

Re: Contracts for VQA Wine Shop Operations

Dear Glen;

The British Columbia Wine Institute (BCWI) holds the Liquor Distribution Branch appointments for the operation of VQA Wine Shops. Individual shops operate under contract arrangements with the BCWI. We note that the Certificate of Appointment for the Cook Street shop has expired. We have applied for a renewal of this appointment and expect that it will be granted shortly.

We also note that the contract with you for the Cook Street location has now expired. It is the objective of the BCWI to review the contracts offered to the store operators and have a uniform form of contract drafted. We plan to have this new form of contract in place by October 1, 2000.

This is to advise you that the BCWI considers its present contract with you as VQA Wine Shop operator to continue to be in force until September 30, 2000, by which time we expect to have the new form of contract to offer as the basis for continuing operations.

Yours sincerely,

John T. Shantz
General Manager
British Columbia Wine Institute

JTS/tz

CC: BCWI VQA Wine Shop Committee
Stephanie Watts, BCLDB
Richard Montgomery, Pushor Mitchell



July 6, 1998

Ms. Connie Beilert
B.C. Wine Institute
#175 - 1855 Kirschner Road
Kelowna, B.C.
V1Y 4N7

Dear Connie:

I enclose a letter addressed to the B.C. Wine Institute from the Honourable Ian Waddell along with a copy of the certificate of appointment issued for the new B.C. VQA Wine Store at Cook Street Village in Victoria. I have taken the liberty of forwarding the original certificate directly to the store operator for display within the store area.

Further, I enclose a copy of Schedule "A" - Site Plan 6 for attachment to your copy of the Institutes Wine Store Agreement.

Please call me if you have questions at (604) 252-3039.

Yours truly,

Mrs. Stephanie Watts
Acting Manager
Special Retail Programs
Legal Services Department

Enclosures



July 6, 1998

VIA FAX: (250) 595-0277
ORIGINAL VIA COURIER

Mr. Glenn Barlow
3-DS Ventures Inc.
#4 – 750 Pemberton Avenue
Victoria, B.C.
V8S 3R4

Dear Glenn:

Re: Certificate of Appointment – VQA Wine store #945

I am pleased to enclose a Certificate of Appointment with respect to the VQA Wine Store appointment given to the B.C. Wine Institute for the establishment of a wine store at your Cook Street Village premises in Victoria.

Please ensure that the new certificate is displayed in a prominent location within the retail store area at all times.

Also, I am providing a supply of forms that are required for statistical reporting and request that the appropriate sales information be entered and then submitted to the BCWI at each period end. For detailed instructions concerning these forms please contact Mr. Phil Campbell at (604) 252-3170.

Please advise this office of the store's telephone and facsimile number(s) once known.

I wish you and your partners every success in your new business venture. If you have any questions concerning the stores operation, please call me at (604) 252-3039.

Yours truly,

Mrs. Stephanie Watts
Acting Manager
Special Retail Programs
Legal Services Department

Enclosures

cc: Ms. C. Beilert, BCWI
Mr. B. Loughheed, Licensing Administrator, LCLB
Mr. B. Hall, Director, Store Operations, LDB
Mr. P. Campbell, Data Management, LDB



British Columbia Liquor Distribution Branch
2625 Rupert Street Vancouver
British Columbia
V5M 3T5

DATE: July 2, 1998

FROM:

Stephanie Watts
Acting Manager
Special Retail Programs
Legal Services Department

TO:

Sue Hodge
City of Victoria

Fax: (604) 252-3044
Tel: (604) 252-3039

Fax: (250) 361-0214
Tel: (250) 385-5711

NUMBER OF PAGES:
(including this page)

Re: 3-DS Ventures Inc. dba Cook Street Village VQA Wine Store

This will confirm that the BC Wine Institute and 3-DS Ventures have entered into a subcontract relationship for the operation of a VQA Wine Store at Cook Street Village, Victoria.

The BC Wine Institute has been granted an appointment by the Minister to establish a number of wine stores pursuant to Ss 18(5) of the Liquor Distribution Act. A wine store appointment issued under this section of the Act does not require a liquor licence.

I hope the above is suitable for your purposes. If you require anything further, please call me.



JUN 22 1998

Bruce Pearce, General Manager
British Columbia Wine Institute
#175 - 1855 Kirschner Road
Kelowna, British Columbia
V3T 4R8

Dear Bruce Pearce:

It is my pleasure to provide you with the enclosed certificate, which signifies the British Columbia Wine Institutes appointment as an agent of the Province at the wine store premises located at the Cook Street Village in Victoria.

This appointment provides for the sale of VQA wine products from those premises. In doing so, it places primary responsibility upon the Institute to maintain a high level of service, and to ensure that sales are made in accordance with established legislation and regulations. The Institutes commitment to take up this responsibility is appreciated.

Sincerely,

Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch



MEMORANDUM

TO: Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

DATE: June 12, 1998

FROM: Jay Chambers
Acting General Manager

RE: NEW VQA WINE STORE – COOK STREET, VICTORIA

The British Columbia Wine Institute (BCWI) has requested approval to establish a new VQA wine store for the sale of VQA wines at the site noted on the attached Schedule.

The new site has fully complied with Liquor Distribution Branch (LDB) location requirements and has received approval from the local municipality (their comments are attached for your reference).

The recommendation is to approve the application for a two year term.

Please indicate your decision on the attached Schedule. Should the appointment be approved, please sign the attached letter and certificate and return the documents in the envelope provided.


Jay Chambers

Attachments

CONCUR/NOT CONCUR


Philip G. Halkett
Deputy Minister

Schedule I \

Business

Name

Cook Street Village
VQA Wines

Location

242 Cook Street, Victoria

Term

July 1, 1998
June 30, 2000

Pursuant to Ss. 18(5) of the Liquor Distribution Act and considering that the public will be better served, I hereby appoint the British Columbia Wine Institute as an agent at the site noted, and for the term specified, provided that they enter into and adhere to the appropriate winery store agreement.



Honourable Ian G. Waddell
Minister Responsible for the
Liquor Distribution Branch

June 22/98

Date



BRITISH
COLUMBIA

STORE # 945

Certificate of Appointment

This certificate evidences that

BRITISH COLUMBIA WINE INSTITUTE

operating the premises known as

COOK STREET VILLAGE VQA WINES


located at

242 COOK STREET,
VICTORIA,

British Columbia, has been
appointed as an agent for the period commencing

JULY 1, 1998, until JUNE 30, 2000,

pursuant to section 18(5) of the Liquor Distribution Act. The
appointment is subject to the terms and conditions of the
Agreement entered into between the Agent and the Province.


Honourable Ian G. Waddell
Minister responsible for the
Liquor Distribution Branch

Date

June 22 1998