

Dear Barry,

Saludos from The Vines of Mendoza!

As we enter the fourth growing season, the vines are sprouting green and growing extremely well. In addition to the 360 acres (145 hectares) planted in previous years, we are currently planting 111 acres (45 ha) for 25 new vineyard owners. We are also expanding the capacity of the winery in preparation for vintage 2011. And we expect to break ground on The Inn at The Vines of Mendoza around the end of the year.

This report details the farming developments in the Private Vineyard Estates over the last six months and we have also included a report to your specific vineyard. If you have any questions or would like to discuss anything related to your vineyard, please let us know and we'll be glad to set up a call.

Thank you for sharing our dream and joining us on this quest to make amazing wine.

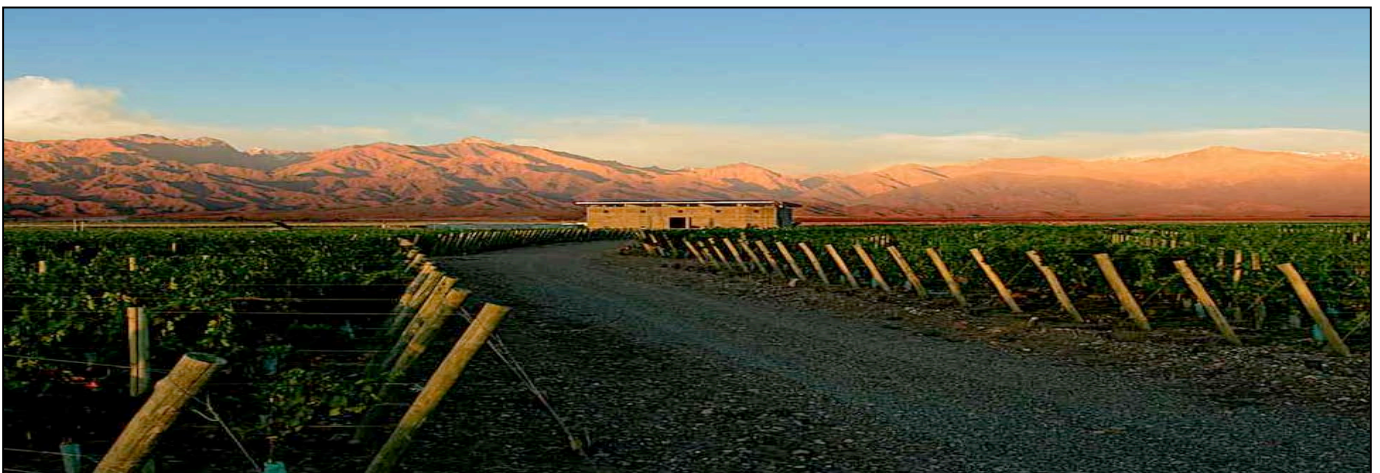
Michael & Pablo



Michael Evans  
Co-Founder



Pablo Giménez Riili  
Co-Founder



## WEATHER REPORT

During fall and winter (March to September), the vineyard is relatively quiet as farming activities slow down and the vines lie dormant. This year, we had the coldest winter in the past 40 years, with several snowfalls in the vineyard as well as in the city. Average temperatures during the fall (April to June) were 64° F / 18° C (high) and 43° F / 6° C (low). Average temperatures for the winter (July to September) were 61° F / 16° C (high) and 39° F / 4° C (low).

AVERAGE RAINFALL	
PERIOD	MM / INCHES
Mar 2010	2 / 0.07
Apr 2010	0 / 0
May 2010	0 / 0
Jun 2010	0 / 0
Jul 2010	0 / 0
Aug 2010	0 / 0
Sep 2010	0 / 0

AVERAGE TEMPERATURE			
PERIOD	HIGH	LOW	AVERAGE
Mar 2010	29° C / 84° F	18° C / 64° F	23° C / 73° F
Apr 2010	21° C / 69° F	10° C / 50° F	16° C / 60° F
May 2010	17° C / 62° F	6° C / 42° F	12° C / 53° F
Jun 2010	15° C / 59° F	2° C / 35° F	9° C / 48° F
Jul 2010	13° C / 55° F	0° C / 32° F	6° C / 42° F
Aug 2010	15° C / 59° F	4° C / 39° F	10° C / 50° F
Sep 2010	20° C / 68° F	8° C / 46° F	14° C / 57° F



The Vines of Mendoza | Private Vineyard Estates



## OVERALL VINEYARD DEVELOPMENT

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*In April, as we moved from fall to winter, the vines started losing their leaves and slowly entered dormancy. At the end of June we performed pruning on all of the vines*

### ANNUAL VINE CYCLE

The annual growth cycle of grapevines that begins with bud break in the spring, continues in autumn with leaf fall, and concludes with dormancy in winter. From a winemaking perspective, each step in the process plays a vital role in developing grapes with ideal characteristics for making wine. Agronomists monitor the effects of climate, vine disease and pests in facilitating or impeding the vines progression through bud break, flowering, fruit veraison (turning purple), harvesting, leaf fall and dormancy – performing tasks like canopy management, irrigation, vine training and the use of agrochemicals as needed.

### Leaf Drop

Leaf drop is a stage of complex physiological changes within plants. During the fall, the vine continues the process of photosynthesis, creating carbohydrate reserves to store in its roots and trunk. It will continue to do this until an appropriate level of reserves have been stored. At that point, the chlorophyll in the leaves begins to break down and the leaves change color from green to yellow. Following the first frost, the leaves begin to fall as the vine starts to enter its winter dormancy period.

### Dormancy

Dormancy is the period where physical activity is temporarily stopped. This minimizes metabolic activity and therefore helps the plant to conserve energy.



## VINEYARD MAINTENANCE | Fall & Winter

*During the fall, the vines lose all of their leaves and slowly enter dormancy. By the end of June, we performed pruning to shape the vine and create a healthy structure. When the vines are more mature, winter pruning will also help determine the amount and quality of fruit your vineyard will produce.*

### Trellis System Maintenance

During the fall and winter we performed general maintenance on the trellis system. We checked all posts, tightened wires, and replaced them as needed.

### Fertilization & Irrigation

At the beginning of the fall in April, your vines were watered with a low flow rate. From May to July, we irrigated your vineyard twice each month to maintain moisture in the soil. No fertilizer is used during the winter months as the plant is dormant. In July and August, we irrigated your vineyard with low frequency but with high intensity (24 mm/day twice each month). In September, we started irrigating at high flow rate (4-5 mm/day) to prepare the vines for growing season.

### Irrigation System Maintenance

Tasks carried out to maintain the irrigation systems include tightening the hoses (as needed), checking drip emitters to ensure they are in good condition and cleaning the filters. Throughout the winter, we cleaned the irrigation system utilizing a sulfuric acid solution to lower the pH levels and dissolve carbonates that can block water flow through the drip emitters. Low doses of chlorine were also injected into the system to kill any plant growth in the lines. Finally, the lines were flushed with water to remove any dirt, sand or loam that may have entered the system.

### Pruning

The goal for pruning for the fourth growing season is to achieve a balanced vine with just the right amount of leaves to fully ripen the grapes. Starting in June, we choose two of the thickest canes and cut away the rest, establishing the cordons of the vine. These cordons will carry the shoots, which will carry fruit later in the season. Pruning makes the vine stronger by removing excess vegetation. Moreover, good pruning techniques provide a much more balanced vine. We also cut off canes that develop low on the trunk while they are still young.



Vine planted in 2007 at the Private Vineyard Estates



### **CANOPY MANAGEMENT | Winter Shoot Training**

After the vines were pruned, we tied the canes (which will later become cordons) to the fruit wire to assist the plant in its development.

### **Disease Prevention**

We sprayed for ants using mechanized and backpack sprayers throughout your vineyard -- Ants represent the biggest threat to your vineyard. During the fall and winter, we also sprayed pesticide in between rows and around the perimeter of your vineyard. There were no applications of fungicides during the winter season.

### **VINEYARD DEVELOPMENT SCHEDULE**

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During the spring (September to December), we will irrigate at a high flow rate using "fertigation" (irrigation + fertilization) to help the vines grow and develop. We will carry out standard canopy management tasks, which include spring shoot thinning and shoot positioning. We will also perform standard applications of herbicides and pesticides, as necessary.

### **CONCLUSION**

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We are very pleased with the overall progress of the vineyards. The plants are well established and heading towards maturity. Over the fall and winter, we focused on pruning and vineyard maintenance, which is critical to the development of the vines. We also prepared the vines for this fourth growing season by emphasizing canopy management, proper irrigation and fertilization. Assuming mother nature cooperates, we anticipate an excellent growing seasons and amazing grapes.

Thank you for your support and trust.



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**CHAIKEN | Chaiken Vineyard**

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Congratulations!

We are pleased to inform you that your vineyard is in optimal condition: the vines are healthy and have grown and developed as expected. Pruning was carried out as planned and the vines are ready for the fourth growing season, and the second harvest next March 2011.



Chaiken Vineyard