

VinLux

Standard Terms and Conditions

INVENTORY CONTROL

VinLux shall perform a full physical inventory of Customer's Product two (2) times per year. VinLux shall perform additional physical inventories at Customer's reasonable request and advanced written notice for an additional charge. Additionally, upon reasonable request and advanced written notice, Customer may conduct its own physical inventory of its Product or use an independent auditor to conduct such inventory, at Customer's expense. VinLux shall perform random periodic (daily, weekly or monthly depending on brand volume and value) cycle counts and report the results to Customer.

Customer must notify VinLux in writing of any discrepancies or inventory variances in inventory or cycle count reports. All inventory and cycle count reports are assumed to be accurate if no written notice of a discrepancy is received by VinLux within thirty (30) days. VinLux is not liable for any claims for loss made thirty (30) days after the date of an inventory report.

RECEIVING AND PICKUP

Receipt of Product: Customer must schedule all inbound shipments of Product two (2) business days prior to delivering such Product to VinLux. Upon arrival, VinLux shall check the quantity, type, vintage and condition of all Product for damage and to make sure such Product conforms to the bill of lading. VinLux shall send to Customer and carrier a signed copy of the bill of lading listing any discrepancies between the Product received and the bill of lading, and any damaged Product, within two (2) business days of the arrival of such Product at VinLux's warehouse. VinLux shall hold any damaged Product for inspection for thirty (30) days at Customer or carrier's request, after which time Customer must remove the damaged Product. VinLux reserves the right to destroy the damaged Product left at its warehouse after thirty (30) days. All products received by VinLux are subject to standard "in" or "handling" charges.

Import Containers: Customer must schedule all inbound import containers two business days prior to delivering such Product to VinLux. Each inbound import container is subject to an unloading fee.

Pick Up: For those Customers with which VinLux has agreed to pick up Product for an additional charge, VinLux shall schedule a pickup within three (3) business days of receipt of a pick up request. Pick up requests requiring next day pickup will be considered emergency pickups and shall incur an additional charge.

Limitation of Liability: VinLux shall not be liable for any alleged defect, damage, loss or injury to Product, however caused, unless, such loss or injury is the result of VinLux's negligence or willful misconduct. Any claim for damaged merchandise caused by VinLux's negligence or willful misconduct must be made in writing within thirty (30) days of the date of the purported loss. VinLux shall utilize its best efforts to minimize broken or damaged bottles of Product ("Breakage"). Breakage shall include, without limitation, broken bottles, any stained or torn labels, damaged foil, cartons or packaging. Customer acknowledges that some Breakage is likely to occur. Customer agrees that VinLux shall bear responsibility only for that Breakage which exceeds one-tenth of one percent (0.001) of all cases received by VinLux during any calendar year. VinLux shall reimburse to Customer for excess Breakage that occurs only during the handling of Customer's Product by VinLux or Product being transported on VinLux's trucks. The maximum liability to be reimbursed to Customer for excess Breakage shall be limited to the wholesale value per case of Product broken (pro-rated for partial cases), not to exceed \$300 per case of 9 liter fluid equivalent or \$25,000 per single incident. VinLux is not liable for Breakage caused by common carriers, Customer, or any cause beyond VinLux's reasonable control, including, acts of any government, labor disputes, damages to its facilities, war, earthquakes, fire, and other acts of God.

Indemnification: Customer agrees to indemnify, defend, and hold harmless VinLux from and against any and all claims, lawsuits, demands, liability, costs and expenses (including reasonable attorneys' fees), resulting from or relating to any injury or death to persons, or damage to property, of every nature or character, relating to or arising from Customer's Product, or the negligent acts or omissions or willful misconduct of Customer or its employees in the performance of this Agreement, except such liability which is caused solely by VinLux's negligence or willful misconduct.

IN NO EVENT, SHALL EITHER PARTY BE LIABLE FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, WHETHER OR NOT SUCH DAMAGES WERE FORESEEABLE.

VinLux as Bailee: VinLux is a bailee and shall have no beneficial title or interest to Customer's Product. VinLux reserves all of its legal remedies, including foreclosure of its storage lien if necessary, if Customer does not pay the charges according to these terms and conditions.

Title and Risk of Loss: Title of Product and risk of loss shall remain with Customer at all times.

Insurance: Customer is responsible for carrying insurance on its Product while such Product is being stored by VinLux at least equal to the full reasonable commercial replacement value of such Product. VinLux will not carry insurance on Customer's Product.

Termination and Removal: Customer must notify VinLux sixty (60) days in advance of terminating VinLux's services and removing all of its Product from VinLux's warehouse(s). Customer shall pay all accrued charges owing to VinLux prior to removing its Product from VinLux's warehouse(s). VinLux reserves the right to withhold Customer's Product until all charges have been paid in full.

ORDER AND DELIVERY POLICIES

Information: Customer shall provide to VinLux all Product, pricing, and account information, including, without limitation, name, address, contact, operating hours, special delivery instructions and restrictions. VinLux shall rely on the accuracy of such information and is not liable for any damages or expenses caused by inaccurate or incomplete information supplied by Customer; inaccurate information may result in additional charges.

VinLux shall assume that deliveries for all orders can be made any business day between the hours of 8:00 am and 3:00 pm unless Customer instructs VinLux otherwise in the delivery instructions or order. Deliveries outside of the hours of 8:00 am to 3:00 pm may be subject to additional charges.

Orders: Customer shall send to VinLux, in a format agreed to by VinLux, all Broad Market Retailers and Chain DSD orders once a day on Monday through Thursday no later than 4:00pm.

Customer shall send to VinLux, in a format agreed to by VinLux, all Chain Warehouse orders to VinLux Monday through Friday and at least two (2) business days prior to the time for delivery.

Orders submitted by phone or facsimile must be submitted by 3:00 pm Monday through Thursday. VinLux shall generate a bill of lading to be used for delivery of such orders for an additional fee.

VinLux shall be responsible for arranging all required appointment times with Broad Market Retailers, Chain DSD Retailers and Chain Warehouses using information provided by Customer. VinLux is responsible for meeting the timed stop requirements of each particular retailer or warehouse. VinLux shall be responsible for having all orders ready for pick up at the appointed time.

Partial Cases: Partial or mixed cases of Product shall be charged at the full case delivery rate and be subject to a broken case charge.

Combined Orders: Brokers or sales agents representing multiple suppliers may combine case orders from different suppliers to be delivered to a single customer on the same day to obtain a lower case price charge, provided that all cases originate from the same VinLux warehouse.

Delivery Days: Broad Market: Except for holidays, VinLux shall provide next-day delivery of orders to Broad Market Retailers on Tuesday through Friday (see current VinLux Pricing and Pricing Zone sheets). This includes cases, bottles, glassware and POS.

Chains: VinLux shall deliver to Chain Warehouses five (5) days a week, Monday through Friday, pursuant to scheduled appointments at the Chain Warehouses. This includes cases, glassware and POS.

For each delivery, VinLux shall require retailers to sign the invoice showing proof of delivery of the order.

For each holiday, VinLux shall develop a delivery schedule and notify Customer of the schedule thirty (30) days in advance of such holiday.

Delivery to Unlicensed Premises: An adult signature is required for all deliveries. VinLux will not leave Product at a residence or other unlicensed premise if no adult is available to sign and accept the Product. In such circumstances, Customer shall be charged for delivery even if VinLux is unable to deliver the Product.

Delivery Exceptions: A Delivery Exception is any delivery which requires a corrected or revised invoice, including, but not limited to, refusals, breakage, mispicks, shortages or other similar issues with the order, delivery or Product.

VinLux shall provide to Customer by fax or email a cover sheet with a description of the Delivery Exception and a signed invoice for each Delivery Exception by 12:00pm the business day following the delivery.

Will Call: VinLux shall process Will Call orders two (2) times a day Monday through Friday. Will Call orders received from Customer by 9:30am may be picked up after 12:00pm the same day. Will Call orders received from Customer by 12:30pm may be picked up after 3:00pm the same day.

Checks and Money Orders Collected by Drivers: VinLux does not accept cash from retailers. VinLux shall pick up checks and money orders from retailers for an additional fee. Customer is responsible for alerting retailer of a pending shipment requiring a check or money order; VinLux drivers

shall only wait up to 15 minutes to pick up a check or money order. VinLux shall send to Customer via first class US mail all checks or money orders collected on Customer's behalf within one (1) business day of receipt. VinLux shall write the invoice number on each check.

Daily Chain Warehouse Schedule: Each day by 4:00 pm, VinLux shall send to Customer a schedule of Chain Warehouse pickups, appointments and the delivery schedule for the following day.

Notification of Missed Chain Pickup: VinLux shall notify Customer of missed Chain Warehouse pickups and deliveries within one (1) business day of the scheduled pickup or delivery.

Returns and Exchanges: VinLux will not pickup or accept returns or exchanges of Product without prior written approval of the Customer. Pick up of returned or exchanged Product shall be charged at the same rate as a delivery.

If a pickup or delivery is required because of an error by VinLux, then VinLux shall pickup and deliver the correct Product at VinLux's expense.

If a pickup or delivery is required because of Customer's error (including inaccurate or inadequate information) or through no fault of VinLux, then the pickup and delivery of the correct Product shall be at Customer's expense. All such Product which is refused, exchanged or returned is subject to a restocking fee.

Courier Service: In the event of an error or an emergency and an order is needed before the next scheduled delivery date, VinLux shall hire a courier service to deliver the order to Customer's customer.

If a courier service is required because of an error by VinLux, then the use of the courier service shall be at VinLux's expense.

If the use of a courier is required because of Customer's error or there is a genuine emergency, the courier service will be charged to Customer.

Customer may arrange and pay for a courier service to pick up Product from VinLux as a Will Call order. Will Call charges shall apply.

FedEx/UPS Service: VinLux shall use Federal Express and/or UPS to deliver to areas that are not on its regular delivery schedule, rush and emergency orders.

VinLux shall repack all Federal Express and/or UPS deliveries in Styrofoam shippers. Additional charges shall apply.

VinLux shall put the Federal Express and/or UPS tracking number of the order on the invoice.

Customer Service: VinLux shall identify a contact person at point of contact at each of its warehouses to respond to Customer's daily issues and questions. A customer service representative shall be available each day from 8:00 am to 5:00 pm.

Customer may check the status of its orders by logging onto VinLux's secured Website.

VinLux shall scan all signed invoices and send them to Customer electronically weekly or send hard copies through US mail on Friday of each week.

BILLING

Net 15 days: VinLux shall invoice Customer on the 1st and 15th of each month. Payment is due from Customer net fifteen (15) days from the date of the VinLux's invoice. All invoices paid thirty (30) days after the date of our invoice are subject to a late payment charge equal to 1.5% of the invoice outstanding on the 31st day. VinLux reserves the right to withhold shipment where Customer has failed to pay in a timely manner.

Minimum monthly fee: Customer shall be charged a minimum storage and handling fee each month for each of Customer's Product (sku) stored with VinLux. See current VinLux Pricing sheet.

CONFIDENTIALITY

VinLux's services to Customer are non-exclusive. VinLux shall provide similar services to third party wine and distilled spirits suppliers and wholesalers. Except as required by law, VinLux shall not disclose any of Customer's confidential information, including without limitation, Customer's pricing information, customer lists or trade secrets, to any third party or persons other than to VinLux's employees who need to know to carry out VinLux's obligations under these terms and conditions. VinLux shall not, except with Customer's prior consent, use Customer's confidential information for any purpose other than to carry out the VinLux's obligations. VinLux shall not disclose to Customer the confidential information of third parties.

SHIPMENT OF PRODUCT TO VINLUX FOR STORAGE OR DELIVERY CONSTITUTES YOUR ACCEPTANCE OF THESE TERMS AND CONDITIONS.