

## JUSTIN VINEYARDS & WINERY - TERMS AND CONDITIONS

1. Title to JUSTIN Vineyards & Winery LLC ("WINERY") products passes to the purchaser ("Distributor") when the products have been picked up by Distributor from WINERY'S premises or storage location or loaded upon a common carrier at WINERY'S premises or storage location and risk of loss passes to Distributor upon the earlier of pick-up, delivery, or placement with a carrier. Distributor shall pay all applicable taxes and shipping costs. Payment for Products is due to WINERY within thirty (30) days of delivery of invoice, unless otherwise specified on the front of any invoice. Payment shall be by EFT, or otherwise as WINERY may direct in writing. Payments received more than thirty (30) days after delivery of invoice shall be subject to interest at 1.5% per 30-day period. WINERY reserves the right to reassess Distributor's creditworthiness, or require payment CBD or COD, at any time. Distributor acknowledges that these Terms and Conditions constitute a security agreement between WINERY as secured creditor, and Distributor, as debtor, for the purposes of the Uniform Commercial Code. Distributor agrees to execute and deliver to WINERY such financing statements and other instruments as WINERY may reasonably request in order to perfect its security interest. WINERY is not liable for any incidental, consequential or special damages, interest, costs or expenses, or for loss of use or lost profits or wages, incurred by Distributor in any fashion or manner in connection with the sale or use of the goods, whether or not WINERY knew such damages might be incurred and Distributor is not permitted to off-set any costs against the invoice payment unless approved in writing by WINERY.
2. Distributor shall: (a) possess all necessary state and federal licenses and permits and will keep the same in full force and effect; (b) protect WINERY's trademarks, confidential information and business plans and shall cooperate with WINERY (at WINERY's cost) in the defense or prosecution of any action related to WINERY's trademarks or confidential information; (c) not transfer its rights to distribute WINERY's products in any way unless it has obtained permission in writing from WINERY to do so; (d) provide such storage, warehousing, delivery, merchandising, marketing and sales service to WINERY as shall be necessary to properly market, sell and protect WINERY's products; and (e) provide such depletion, sales and other reports as WINERY shall from time-to-time request.
3. California law, without regard to its conflicts of laws principles, governs these Terms and Conditions. Unless otherwise provided by the law of the state in which Distributor does business, the term of Distributor's appointment is at-will, and may be terminated by WINERY on thirty (30) days notice at any time. Breach of any promise made by Distributor or failure of Distributor to meet depletion and account placement requirements mutually agreed to between the parties shall be "good cause" for termination of Distributor's appointment for the purpose of any applicable state law. In the event of any dispute related to WINERY, WINERY Products or Distributor's rights to continue distributing WINERY Products, Distributor agrees that the same shall be resolved in the state or federal courts sitting in the County of Los Angeles, California, Distributor hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law. In the event a suit or action is brought to enforce or interpret any of the provisions contained herein, the prevailing party shall be entitled to reasonable attorneys' fees (at market rates), and interest on the judgment.
4. WINERY reserves the right to establish standards of re-sale for its products that protect the brand image and value and specifically reserves the right to terminate sales to accounts that engage in below-cost price promotions that harm the brand, or in practices (such as bait and switch) that are anti-competitive or violate the law of any state.
5. If, and only to the extent that, the provisions of the laws of the state in which the Distributor is located or does business, or any similar law or regulation, govern the sale of products by WINERY to Distributor, then these Terms and Conditions are deemed modified to conform to those provisions. If any of those provisions are repealed or are otherwise not governing or applicable in whole or in part, then these Terms and Conditions govern the sale of products by WINERY to Distributor. If any provision of these Terms and Conditions violates any law, it shall be severed from these Terms and Conditions without affecting the rest of these Terms and Conditions.
6. **WINERY IS SELLING THE GOODS TO DISTRIBUTOR WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY WINERY OR AN AUTHORIZED REPRESENTATIVE OF WINERY SHALL CREATE A WARRANTY.**
7. These Terms and Conditions, together with the corresponding purchase order ("PO") and any executed written distribution agreement(s) ("Distribution Agreement"), if any, between Distributor and WINERY, constitute the complete and exclusive understanding and agreement of the parties and supersede all prior understandings and agreements, whether written or oral, with respect to the subject matter hereof; provided, however, to the extent there is any conflict between the terms of the PO and these Terms and Conditions, these Terms and Conditions shall govern. In the event of a conflict between these Terms and Conditions and any Distribution Agreement, the terms of the Distribution Agreement shall control to the extent of such conflict. Distributor's submission of a PO for any WINERY product shall constitute agreement to these Terms and Conditions, which may be modified at any time by policies found at WINERY's website [www.justinwine.com](http://www.justinwine.com).