

**PARTNERSHIP AGREEMENT
BETWEEN THE ABBEY WINE WAREHOUSE
AND**

IN THE IMPLEMENTATION OF A WINE CLUB OWNED AND OPERATED BY
THE ABOVE LISTED WINERY.

SIGNED

AUTHORIZED REPRESENTATIVE OF THE WINERY

AUTHORIZED REPRESENTATIVE OF THE ABBEY WINE WAREHOUSE

Partnership Agreement

DESIRED RESULTS:

Provide reliable deliveries of wine to individual customers. For this winery, all shipments will be scheduled for the 1st, 2nd, 3rd or 4th [circle one] week of each month.

The following indicators will be used between the winery and the warehouse to judge performance:

- Percentage of time the wine is sent in the agreed week. (100% is expected, >91% is satisfactory)
- Percentage of time the winery has notified the warehouse of customer base on time (at least one week prior). (100% is expected, >91% is satisfactory)

GUIDELINES:

- Shipments will be made on Monday of each week. Cut off for customer names is two Fridays before the shipping Monday. This allows the warehouse to ensure adequate resources to meet its packaging and shipping obligation to the winery.
- Customer lists provided to warehouse personnel in the course of business will be held confidential. That is, customer lists will not be sold or shared outside the warehouse.
- Warehouse pricing will be based on three components: Postage charges, Materials charges, and Labor charges. (NOTE: if the winery provides materials, the materials and the labor charges may both change according to the requirements placed on the warehouse.) Warehouse charges may thus fluctuate depending on market conditions.
- The warehouse will ship ALL wine club wine using ground delivery unless specifically requested otherwise by the winery.
- The winery is expected to be aware of their inventory in the warehouse. To that end, warehouse personnel are expected to provide the winery with inventory numbers (1) when moving wine into pick and pack, (2) when moving wine out of pick and pack, (3) when requested.
- Wine located in the pick and pack system are still subject to the normal storage charges.
- Wine club shipments using the Abbey Wine Warehouse is a four-week process. By Friday of the first week the warehouse will need the number of customers the winery expects and written notification of the wines to be shipped. Friday of the second week is the last chance to change the wines to be shipped. Customers may be deleted from the list up to end of business the Thursday before the Monday shipment.

RESOURCES:

- The warehouse will hold (1) the contract with the shipper for labeling and shipment of the club wine, (2) the standard materials required for packaging of wine, (3) sufficient personnel to support packaging all wine requested by the winery during their week of shipment.

Partnership Agreement

- The winery will supply to the warehouse any personal shipping materials they may wish used in lieu of the standard materials. (NOTE: Labor involved in assembling the personal shipping materials will add to the warehouse cost to the winery.)

ACCOUNTABILITIES:

Winery

- Inform the warehouse of desired wine splits (storage to pick and pack).
- Maintain and provide to the warehouse a customer database in an electronically format that allows for interfacing with the shipper's (UPS/FedEx etc.) software for development of labels. This list will be provided each time in preparation for the fulfillment activity.
- Charge the individual consumers for wine to include the state tax requirements. The winery will then be responsible for paying the state tax on wine sent.
- Provide any personalized packaging material. Without personalized material from the winery, the warehouse will utilize standard shipping material.
- Determine the disposition of wine returned to the warehouse from customers.
- The winery will NOT knowingly violate any federal or state laws with regard to the direct sale of alcohol to customers.
- Provide a generic packing list during the "prep week" that can be copied and placed in each wine package. The invoice shall include a contact phone number at the winery in the event their customer should have a question or problem.
- Provide written notification to the warehouse (email is acceptable) of the exact wines to be shipped. Changes to this list must also be made in writing.

Warehouse

- Maintain physically segregated inventories between storage and pick and pack such that the latter is NOT inadvertently released from the warehouse as storage wine.
- Ship all wine requested by the winery on Monday of their week for wine club activity each month.
- Provide the winery with shipping dates and tracking numbers when wine is shipped to their customers.
- Bill the winery based on the labor, materials, and shipping charges. The warehouse will NOT include in their bill to the winery state tax charges.
- Provide the winery with location splits of inventory between the warehouse and the pick and pack when requested.
- The warehouse will NOT knowingly violate any Federal or State regulations with regard to the shipment of wine.

CONSEQUENCES:

- Wine returned to the warehouse is the responsibility of the winery with the following exceptions:

Partnership Agreement

1. If the wine is returned because the wrong wine was shipped, the warehouse will, at no charge to the winery or the customer, ship the correct wine if there is sufficient stock. Otherwise, the warehouse will make restitution to the winery for lost revenue.
2. If the wine is returned because of breakage, the warehouse will (1) return to the winery any in tact wine bottles with unusable labels, (2) take any actions necessary to collect from the shipper on lost revenue and (3) refund to the winery warehouse charges. Other than warehouse charges, the warehouse will NOT refund lost revenue.
3. In the event of wine lost in shipment, the warehouse will take any actions necessary to collect from the shipper insurance on the loss. In addition, the warehouse will notify the winery of the loss. If requested by the winery, warehouse personnel will package and ship a second order to the customer.