DISTRIBUTION AGREEMENT FOR WINE: SUB-DISTRIBUTION

THIS DISTRIBUTION AGREEMENT, entered into this ____ day of ________________, 2010, between_______________________________________________, herein “Local Distributor” and ____________________________________________________________________, herein “Accommodation Distributor”:

WITNESSETH:

WHEREAS, Local Distributor is a duly licensed wine distributor pursuant to the applicable laws and regulations of the State of Montana; and

WHEREAS, Local Distributor has entered into various wine distribution contracts (herein the “underlying contracts”) with the wine suppliers identified on Exhibit A; and

WHEREAS, the underlying contracts either contain the provisions required by applicable Montana laws and regulations or are deemed to include those provisions [Mont. Code Ann. § 16-3-416 and Mont. Code Ann. § 16-3-416]; and

WHEREAS, the referenced underlying contracts are filed with the Montana Department of Revenue [Department] as required by the applicable Montana laws and regulations and as filed, constitute public documents; and

WHEREAS, Local Distributor has long been a part of the distribution network of the identified wine suppliers and thus has acquired distribution rights to the brands of wine through the investment of time, money, capital, etc. in the promotion of the brands being sold; and

WHEREAS, it is impractical for Local Distributor to purchase wine directly from the wine suppliers identified given the limited quantities required and for other good and valid reasons; and

WHEREAS, it is practical, economical, and feasible for Local Distributor to purchase wine from Accommodation Distributor to accommodate Local Distributor’s performance of the
underlying contract; and

WHEREAS, Accommodation Distributor is a duly licensed wine importer pursuant to the applicable laws and regulations of the State of Montana; and

WHEREAS, it is practical, economical, and feasible for Accommodation Distributor to sell wine to Local Distributor to accommodate Local Distributor in the performance of the underlying contracts; and

WHEREAS, this sub-distribution arrangement provides for a license-to-license transfer and for a distribution agreement for all transfers of wine to be on file with the Department making this sub-distribution arrangement to be in compliance with all Montana laws/regulations and with the constitutionally-mandated concept of orderly distribution of wine;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, it is agreed as follows:

1. Local Distributor shall purchase the brands of wine set forth in the underlying contracts as needed and Accommodation Distributor shall sell the referenced brands of wine, as available, to Local Distributor, in accommodation of Local Distributor’s performance of the underlying contracts.

2. The terms of such sale and purchase shall be as mutually agreed upon by and between Local Distributor and Accommodation Distributor.

3. The size and extent of the area in which Local Distributor may sell or distribute the brands listed shall be determined by the underlying contracts.

4. Accommodation Distributor recognizes that Local Distributor is free to manage its business in the manner Local Distributor deems best and this prerogative vests in Local Distributor the exclusive right to establish selling prices, to select the brands it wishes to handle, to determine the effort and resources the Local Distributor will exert to develop and promote the sale of the
products listed in the underlying contracts.

5. Either Accommodation Distributor or Local Distributor may terminate upon adequate notice, in writing, without penalty or compensation, to the other party of its intent to terminate this Accommodation Agreement.

IN WITNESS WHEREOF, the parties have set their hands the date and year first hereinabove written.

____________________________________________________________
BY ________________________________________________________
Its ________________________________________
LOCAL DISTRIBUTOR

____________________________________________________________
BY ________________________________________________________
Its ___________________________________________
ACCOMMODATION DISTRIBUTOR
EXHIBIT A
WINE SUPPLIERS WITH UNDERLYING CONTRACTS

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