



TWG • Human Resources • 17000 E. Hwy 120 • Ripon, CA 95366 • (209) 599-4111 • Fax (209) 599-5116

**THE WINE GROUP LLC
EMPLOYEE PROPRIETARY INFORMATION
AND INVENTION AGREEMENT**

In consideration of my employment by The Wine Group LLC, The Wine Group, Inc. or Golden State Vintners, as applicable (“**Company**”) and/or its Affiliates (as defined below), and the compensation and other payments made to me in connection with such employment, I agree as follows:

1. **Purpose.** I acknowledge that: (a) Company and each of its Affiliates operate in a competitive environment and that they enhance their opportunities to succeed by having employees enter into agreements such as this Employee Proprietary Information and Invention Agreement (this “**Agreement**”); (b) Company and each of its Affiliates possess and will continue to develop and acquire proprietary information of substantial commercial value; (c) by reason of my employment, Company and its Affiliates will likely divulge to me certain of that proprietary information, and I will develop, discover, acquire and/or handle that proprietary information in the course of that employment; (d) the value of that proprietary information depends on it remaining confidential, such that Company and each of its Affiliates have an important interest in protecting the confidentiality of its proprietary information and providing for the ownership of proprietary rights; and (e) my employer places substantial confidence and trust in me, as an employee, and I accept that position of trust. I understand that the provisions of this Agreement are a material condition to my employment and the compensation and other payments made to me in connection with my employment. I also understand that this Agreement is not an employment contract, that nothing in this Agreement creates any right to my continuous employment (nor to my employment for any particular term), and that nothing in this Agreement shall interfere in any way with my right or my employer’s right to terminate my employment at any time, with or without cause.
2. **Definitions.** As used in this Agreement, the following definitions will apply:
 - a. “**Affiliate**” means any entity controlled by, controlling, or under common control with, Company.
 - b. “**Company Development**” means any Development that I Develop (solely or jointly) during the period of time in which I am employed by Company or any of its Affiliates.
 - c. “**Develop**” means to conceive, create, develop, assemble, reduce to practice, or, in the case of works of authorship, fix in a tangible medium of expression.
 - d. “**Development**” means any invention, discovery, improvement, process, development, design, know-how, idea, data, logo, trademark, service mark, or work of authorship (in each case, whether or not patentable or registrable under patent, copyright, trademark, or similar statutes).
 - e. “**Intellectual Property Rights**” means patents, copyrights, moral rights, trade secrets, trademarks, industrial design, maskworks, and all other similar rights and protections, including without limitation all applications for registration of any of the foregoing, anywhere in the world.

- f. “Proprietary Information” means any and all confidential and/or proprietary knowledge, data or information either (i) of Company or any of its Affiliates or(ii) received from third parties by Company or any of its Affiliates subject to a duty on Company’s (or its Affiliate’s) part to maintain the confidentiality of such information and to use such information only for certain limited purposes. By way of illustration but not limitation, Proprietary Information includes (a) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, works of authorship, know-how, improvements, discoveries, developments, designs, and techniques; (b) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (c) information regarding the skills and compensation of other employees of Company or of the employees of any Affiliate.

- 3. **Proprietary Information.** I agree at all times during the term of my employment with Company or any of its Affiliates and thereafter: (a) to hold the Proprietary Information in strictest confidence, (b) to use the Proprietary Information solely for the benefit of Company (and its Affiliates) to the extent necessary to perform my obligations to Company or, in the case of third-party Proprietary Information, to use such Proprietary Information solely it the extent necessary to carry out my work consistent with Company’s (or its Affiliate’s) agreement with such third party, (c) not to disclose the Proprietary Information to any person, firm, corporation or other entity without written authorization of Company or its Affiliate (as applicable), and (d) not to make copies of the Proprietary Information except as authorized by Company or its Affiliate (as applicable). I will cooperate with Company and its Affiliates and will use my best efforts to prevent the unauthorized disclosure, use, or reproduction of all Proprietary Information.

4. **Developments**

- a. I have set forth above my signature a complete list of all Developments that I Developed prior to my employment with Company or any of its Affiliates that relate in any way to any of Company’s or any of its Affiliate’s existing or proposed businesses, products or research and development and to which I claim ownership as of the date of this Agreement (each a “***Prior Development***”), and I acknowledge and agree that such list is complete. If no such list is set forth above my signature on this Agreement, I represent that I have no Prior Developments. I agree not to incorporate or use any Prior Development in Developing any Company Development. If any Company Development nevertheless incorporates, is based on, is an improvement or derivative of a Prior Development (or cannot reasonably be made, used, reproduced or distributed without using or violating rights in a Prior Development), I hereby grant to each of Company and its Affiliates an irrevocable, perpetual, non-exclusive, worldwide, royalty-free license (with the right to sublicense) in such Prior Development, including without limitation all Intellectual Property Rights relating thereto, to the extent necessary to permit Company, its Affiliates, and their customers, clients, and licensees to make, have made, use, offer to sell, sell, import, copy, distribute, modify, perform, display, advertise, market, promote, and otherwise exploit such Company Development.
- b. All Company Developments, including without limitation all Intellectual Property Rights in connection therewith, shall be the sole and exclusive property of Company (or, if I am employed by an Affiliate, by such Affiliate) and/or its nominees or assigns. All Company Developments shall constitute “works for hire” to the extent permitted under applicable law. I hereby assign to Company (or, if I am employed by an Affiliate, to such Affiliate) any and all right, title, and interest I have, may have, or may acquire in all Company Developments, including without limitation all Intellectual Property Rights relating thereto. To the extent I have any rights in any Company Developments that cannot be so assigned, including without limitation any moral rights, I unconditionally and irrevocably waive all such rights. I agree that I will not, without Company’s or its Affiliate’s (as applicable) prior written consent,

incorporate into any Company Developments any software code licensed under the GNU General Public License, the GNU Lesser General Public License or any other "open source" or other license in a manner that (a) could require, or could condition the use or distribution of any Company Development on, the disclosure, licensing, or distribution of any source code for any portion of any Company Development, or (b) could otherwise impose any limitation, restriction, or condition on the right or ability of Company or its Affiliates to use or distribute any Company Development.

- c. I understand that the provisions of this Agreement requiring assignment of Company Developments to Company or its Affiliates do not apply to any Company Development that qualifies fully under the provisions of California Labor Code Section 2870 (attached hereto as Exhibit A). Notwithstanding the foregoing, I understand that full title to any Company Development that qualifies fully under the provisions of Section 2870 of the California Labor Code will be in the United States if so required by a contract between Company (or any Affiliate) and the United States (or any of its agencies).
 - d. I will promptly communicate to Company (or the applicable Affiliate) all Company Developments (regardless of whether any such Company Development qualifies under Section 2870 of the California Labor Code) at any time during my employment with Company or any Affiliate and any Development that I Develop for the period ending one (1) year after such employment terminates for any reason, for the purpose of permitting Company or such Affiliate to determine the extent of its rights in such Developments.
 - e. I will assist Company, its Affiliates, and/or its or their nominees or assigns (without charge but at no expense to me) in every lawful way to perfect, obtain, maintain, and enforce any and all Intellectual Property Rights and other rights and protections relating to all Company Developments, including by executing all relevant documents. I understand that these obligations will continue beyond the termination of my employment with Company or its Affiliates. I hereby irrevocably designate and appoint Company, its Affiliates, and each of their duly authorized officers and agents as my agent and attorney-in- fact to execute and file any and all applications and other necessary documents and to do all other lawfully permitted acts to further the prosecution, issuance, or enforcement of Intellectual Property Rights related to all Company Developments with the same legal force and effect as if I had executed them myself. I hereby acknowledge that such appointment is coupled with an interest.
 - f. To the extent that any Company Development incorporates any materials that make use of my name, likeness, voice, or signature, or pictures, drawings, images, recordings, or caricatures of me, including, without limitation, computer-generated images, I irrevocably and absolutely consent to any and all such materials being used, published, or copied, in whole or in part, with or without personal identification, by Company, its Affiliates, or their designees, for promotion of Company, its Affiliates, or their products or services in any medium whether now known or hereafter devised anywhere in the world. I release and discharge Company, its Affiliates, and their assigns and designees (including any agency, client, broadcaster, electronic bulletin board or internet service provider, periodical or other publication) from any and all claims and demands arising out of or in connection with the use of such materials, including, but not limited to, any claims of defamation, invasion of privacy, or right of publicity.
5. **No Breach of Other Rights or Obligations.** I represent and warrant that: (a) I have all right, power, and authority necessary to enter into and perform this Agreement, including without limitation to grant the licenses with respect to the Prior Developments set forth in Section 4.a above; (b) my performance of the terms of this Agreement does not and will not breach any agreement to which I am a party or by which I am bound, including without limitation any agreement to keep in confidence or not to use any confidential or proprietary information of any third party (including without limitation any current or prior employer); and (c) I have not and will not use in my employment with Company or any of its Affiliates any non-public materials or documents of a former employer or any other person or entity,

unless I have obtained express written authorization from such person or entity for their possession and use. If there are any exceptions to the foregoing, I have attached hereto a copy of each agreement or other written documentation, if any, which presently affects my compliance with the terms of this Agreement. I will indemnify and hold harmless Company, its Affiliates and their members, and licensees, and its and their officers, directors, employees and agents, for any breach of this Section.

6. **Return of Materials.** Upon termination of my employment with Company or its Affiliates for any reason whatsoever, voluntarily or involuntarily, and at any earlier time my employer requests, I will deliver to the person designated by my employer all originals and copies of any and all tangible, written, graphical, and/or machine-readable materials and media (including for example, notes, notebooks, memoranda, samples, slides and documents) and other property belonging to Company (or any of its Affiliates) or containing, representing, disclosing or embodying Proprietary Information, which are in my possession, under my control, or to which I may have access.
7. **Past and Future Employers.** I understand that Company and its Affiliates have the right to inform any persons or entities who have engaged me to work for them in the past or who may do so in the future of the provisions of this Agreement and my obligations under it.
8. **General**
 - a. Any notice herein required or permitted to be given will be given in writing and may be personally served or sent by a nationally-recognized overnight delivery service or first class mail and such notice will be deemed to have been given: (i) if personally given, when received; (ii) if sent by overnight delivery service, on the first business day occurring on or after the date delivery is confirmed by such service; or (iii) if mailed, three (3) business days after deposit with the United States Postal Service with postage properly prepaid to the proper address. My address for notice purposes will be my home address as set forth in Company's records. Company's and its Affiliates' address for notice purposes will be the address set forth beneath the signature lines below until changed by notice given as provided in this Agreement.
 - b. This Agreement constitutes the entire agreement between me and Company (including its Affiliates) with respect to the subject matter hereof, superseding any prior or contemporaneous agreement or representation, oral, electronic, or written. My obligations under this Agreement may not be modified, released, or terminated, in whole or in part, except in a writing signed by me and an officer of Company or his or her designee. No waiver of any breach or provision of this Agreement will be binding unless it is in a writing signed by me and an officer of Company or his or her designee. The waiver of, or failure to enforce, any right resulting from any breach or provision of this Agreement will not be deemed a waiver of any right relating to any subsequent breach, any other provision, or any other right hereunder.
 - c. The provisions of this Agreement are severable. In the event that any provision or portion thereof is found by any court or arbitrator to be invalid or otherwise unenforceable, this finding will not affect the enforceability of the remaining provisions of this Agreement. In such event, I consent to the substitution for the unenforceable provision or portion thereof a valid provision that approximates the intent and effect of the unenforceable provision or portion.
 - d. My obligations under this Agreement will survive the termination of my employment with Company or its Affiliates for any reason, regardless of the manner of such termination. This Agreement will inure to the benefit of and be binding upon the heirs, personal representatives, administrators, successors and assigns of the parties hereto.
 - e. I acknowledge that my services are, and that the Proprietary Information is, special, unique, and unusual. I recognize that if I breach this Agreement, money damages would not reasonably or adequately compensate Company or its Affiliates for any loss caused by such breach.

Accordingly, if I breach this Agreement, I recognize and consent to Company's (and its Affiliates') right to seek injunctive relief to force me to abide by the terms of this Agreement, without the necessity of posting a bond in seeking such relief. Company and its Affiliates also will have the right to recover damages or pursue any other remedy permitted by law if I breach this Agreement.

- f. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the Laws of the State of California without giving effect to the principles of conflicts of laws.
- g. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement will be deemed effective as of the start of my employment with Company or any of its Affiliates.
- h. Company may, without my consent, assign this Agreement, and Company's rights and obligations under this Agreement, to any of its Affiliates and/or to any other entity. Additionally, Company may, without my consent, assign this agreement by operation of law in connection with a merger or consolidation with one or more entities, regardless of whether or not Company is the surviving entity.
- i. I agree and understand that subject to terms to the contrary in any applicable union contract, my employment is "at-will," meaning that it is not for any specified period of time and can be terminated by me or by my employer at any time, with or without advance notice, and for any or no particular reason or cause. I agree and understand that it also means that job duties, title and responsibility and reporting level, compensation and benefits, as well as my employer's personnel policies and procedures, may be changed at any time at-will by my employer. I understand and agree that nothing about the fact or the content of this Agreement is intended to, nor should be construed to, alter the at-will nature of my employment.

"The remainder of this page is intentionally left blank."

Prior Developments

No Prior Developments.

Prior Developments.

List Prior Developments below:

Additional sheets attached.

CAUTION: THIS AGREEMENT CREATES IMPORTANT OBLIGATIONS OF TRUST AND AFFECTS RIGHTS TO INVENTIONS YOU MAKE DURING YOUR EMPLOYMENT.

Intending to be legally bound, I am signing this Agreement effective as of the date next to my name below.

EMPLOYEE:

Date:

Print Name:

Signature:

AGREED AND ACKNOWLEDGED:

Company Name:

Address:

Print Name:

Title:

Date:

EXHIBIT A

California Labor Code Section 2870: Assignment of Rights

This exhibit notifies you, pursuant to Section 2872 of the California Labor Code, that the foregoing Agreement between you and Company is in accordance with Section 2870 of the California Labor Code, which states that:

- (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
 - (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - (2) Result from any work performed by the employee for the employer.
- (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.