

A to Z

New Year's Greetings,

As you have likely heard, Paul Hart and Jan Jacobsen sold Rex Hill Vineyards and Winery to A to Z Wineworks. We closed on the last business day of 2006, and now it is official. A to Z Wineworks was founded in 2002 by partners Bill and Debra Hatcher, Sam Tannahill and Cheryl Francis who collectively bring decades of Oregon winery experience to this project. A to Z has been Oregon's fastest growing winery and our combined production with Rex Hill will exceed 150,000 cases this year.

We believe that Rex Hill's exceptional wines complement A to Z's value-priced offerings.

The winery, a former fruit and nut-drying plant from the 1920's, is highly flexible permitting the simultaneous production of the larger quantities of A to Z alongside the more limited Rex Hill offerings and the small-production Hatcher and Francis Tannahill labels. In addition to the 53 acres of estate vineyards, Rex Hill contributes many contracted vineyards to A to Z's already established agreements. Collectively the vineyards under contract are among the oldest and most select in Yamhill County. In bringing all these vineyards together, we can select and hone the very best for the Rex Hill Reserve wines as we already do for our handcrafted family brands. Moreover, we will be able to further refine Rex Hill wines with A to Z's capacity to absorb blending components. In fact, all four brands should benefit from the focused production and selective possibilities.

We will be looking at each market and to determine what makes the most sense for all of our now extended family. We want to learn what your strategy for selling Rex Hill is and in general how you promote Oregon wines. We are excited about the possibilities of our new alliance.

And lastly, we would like to introduce you to Northwest Core Collection. This young company has grown with A to Z and we have retained them to be Rex Hill's national sales force, as well. I trust you will find them professional, personable and a dream to work with.

They will be contacting you soon to discuss the plans and goals for the year as well as find out how Rex Hill has been doing in your market.

In the meantime, we are here to answer your questions and keep business running "as usual." **Effective January 15th, please fax all orders to Northwest Core Collection at (503) 597-0022 or e-mail amy@nwcorecollection.com.** You will continue to be invoiced by the winery, and all payments will be made directly to them.

Best regards,

A to Z Wineworks

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We know a lot of questions arise from ownership changes, and we hope we can answer many of them in this letter. If you have any further questions please contact the winery or Northwest Core Collection.

Q: Who owns Rex Hill Vineyards and Winery?

A: Rex Hill is now owned by the partners of A to Z Wineworks, Bill and Debra Hatcher, Sam Tannahill and Cheryl Francis.

Q: Did the purchase include the vineyards?

A: Yes. A to Z purchased the 53 acres of estate vineyards along with the winery and all equipment.

Q: Who is the winemaker?

A: All the wines will be made collectively by Cheryl Francis, Sam Tannahill and Michael Davies. Ryan Harms will also stay on as part of the winemaking department as the previous vintages are finishing from tank or barrel to bottle.

Q: Was King's Ridge included in the sale?

A: No. The brand has remained separate and will be distributed by a different company.

Q: Will my previous Rex Hill sales representative continue to work my market, or whom do I talk to now?

A: With the acquisition of Rex Hill, A to Z has integrated distributor sales of Rex Hill with our national sales partner, Northwest Core Collection. This company is headed by Rob Alstrin and has been a key partner in A to Z's growth over the last two years. Your NW Core sales manager will be in touch in the next couple weeks to start working with you. In the meantime, if you have questions or concerns, please call Rob at 503.639.6446. Also, it would be incredibly helpful if you could provide sales, placements and sampling history for Rex Hill in your market.

Q: I have an event planned with Rex Hill. Will they still be involved?

A: Northwest Core Collection has a national sales team, and they are staffed to cover your events all over the country. We'll be in touch soon to get all these dates on the calendar, and you can help by faxing any information on upcoming events to (503) 597-0022 or e-mailing amy@nwcorecollection.

And the \$1,000,000 question –

Q: I don't sell A to Z; will I be losing Rex Hill?

A: A to Z and Northwest Core Collection do not believe in consolidating under one distributor just for our convenience. We want each brand in the portfolio to be represented in the best possible house for the particular brand. We appreciate the support you have already given Rex Hill, and they are here to help you in your market.