

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	CORRECTIVE ASSIGNMENT																								
<b>NATURE OF CONVEYANCE:</b>	Corrective Assignment to correct the recordal cover sheet that mistakenly identifies Assignor as Printer's International Company Inc. previously recorded on Reel 000636 Frame 0232. Assignor(s) hereby confirms the Assignment should have been recorded from Vintner's International Company, Inc. to Harris Trust and Savings Bank.																								
<b>CONVEYING PARTY DATA</b>																									
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<b>CORRESPONDENCE DATA</b>																									
Fax Number: (908)725-7088 <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> Phone: 9087225640																									

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Email: s.baker@br-tmlaw.com,officeactions@br-tmlaw.com  
Correspondent Name: Stephen L. Baker  
Address Line 1: 575 Route 28, Suite 102  
Address Line 4: Raritan, NEW JERSEY 08826

NAME OF SUBMITTER:

Stephen L. Baker

Signature:

/Stephen L. Baker/

Date:

08/09/2011

**Total Attachments: 19**

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**THE UNITED STATES OF AMERICA**

**TO ALL TO WHOM THESE PRESENTS SHALL COME:  
UNITED STATES DEPARTMENT OF COMMERCE**

United States Patent and Trademark Office

July 18, 2011

THIS IS TO CERTIFY THAT ANNEXED IS A TRUE COPY FROM THE  
RECORDS OF THIS OFFICE OF A DOCUMENT RECORDED ON  
DECEMBER 14, 1988.

By Authority of the  
Under Secretary of Commerce for Intellectual Property  
and Director of the United States Patent and Trademark Office

P. R. GRANT  
Certifying Officer



**TRADEMARK**  
**REEL: 004600 FRAME: 0300**

VINTNERS INTERNATIONAL COMPANY, INC.

SECURITY AGREEMENT RE: TRADEMARKS

This Security Agreement Re: Trademarks (the "Agreement") dated as of December 12, 1988, by and between Vintners International Company, Inc., a Delaware corporation which is the successor by merger to General Beverage Company, Gold Seal Vineyards, Inc., Gonzales & Co., Inc., Paul Masson, Inc. and The Taylor Wine Company, Inc. and which has its mailing address at 320 Park Avenue, New York, New York 10022 (the "Company"), and Harris Trust and Savings Bank, an Illinois banking corporation with its mailing address at 111 West Monroe Street, Chicago, Illinois 60690, acting as agent hereunder for the Lenders hereinafter identified and defined (said Harris Trust and Savings Bank acting as such agent and any successor or successors to said Bank in such capacity being hereinafter referred to as the "Agent");

WITNESSETH THAT:

WHEREAS, the Company, the Agent and various lenders (collectively the "Lenders" and individually a "Lender") have entered into a Credit Agreement bearing even date herewith (such Credit Agreement as the same may be modified or amended from time to time being hereinafter referred to as the "Credit Agreement") pursuant to which such lenders have agreed, subject to certain terms and conditions, to extend a revolving credit facility to the Company in an aggregate principal amount of not to exceed \$100,000,000 at any one time outstanding and which will be available to the Company in the form of loans and letters of credit; and

WHEREAS, as a condition precedent to extending the credit facilities available to the Company under the Credit Agreement, the Lenders have required, among other things, the Company grant to the Agent a lien on and security interest in certain real and personal properties of the Company as collateral security for such credit facilities pursuant to this Agreement and various other instruments and documents (this Agreement and such other instruments and documents being hereinafter referred to as the "Collateral Documents");

NOW, THEREFORE, for and in consideration of the execution and delivery by the Lenders of the Credit Agreement, and other good and valuable consideration, receipt whereof is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Security Interest in the Collateral.

(a) The Company hereby grants, bargains, sells, transfers, assigns, mortgages and pledges to the Agent for the ratable benefit of the Lenders, and grants to the Agent for the ratable benefit of the Lenders a security interest in, and acknowledges and agrees that the Agent has and shall continue to have for the ratable benefit of the Lenders a continuing security interest in, any and all right, title and interest of the Company, whether now existing or hereafter acquired or arising, in and to:

(i) the United States trademarks listed on Schedule A attached hereto and made a part hereof (collectively the "Primary Marks" and individually a "Primary Mark") and all trademarks (including service marks), trademark registrations and

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trade names in the United States in each case (x) including all or a significant or meaningful part of, or (y) constituting a variant or derivative of, or (z) not readily distinguishable from, any Primary Mark and any applications for any Primary Mark or any other of the foregoing, along with any and all (w) renewals thereof, (x) income, royalties, damages and payments now and hereafter due or payable with respect thereto, including without limitation damages, claims and payments for past or future infringements thereof, (y) rights to sue for past, present and future infringements thereof, and (z) trademarks, trademark registrations and trade name applications for any thereof and any other rights corresponding thereto (collectively the "Trademarks"), it being understood and agreed that the Trademarks shall in no event include the "Paul Masson" or "Taylor California Cellars" trademarks or any variants or derivatives thereof in either case including the term "Masson" or "California";

(ii) the entire goodwill of the Company's business connected with the use of and symbolized by the Trademarks;

(iii) licenses whereby the Company has granted, or the Company grants to another party, the right to exploit or use any Trademark, including without limitation any licenses listed on Schedule B attached hereto and made a part hereof (collectively the "Licenses"); and

(vi) all proceeds of and accessions to any and all of the foregoing (the "Proceeds").

Such Trademarks, Licenses, Proceeds and goodwill are hereinafter collectively referred to as the "Collateral".

(b) This Agreement is made and given to secure, and shall secure, the prompt payment or performance in full when due, whether by lapse of time, acceleration or otherwise, of (i) all indebtedness, obligations and liabilities of the Company under or in connection with or evidenced by (x) the Credit Agreement or (y) the promissory notes and letters of credit issued thereunder or (z) any of the Collateral Documents, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired and (ii) all expenses and charges, legal and otherwise, reasonably incurred by the Agent and the Lenders in collecting or enforcing any of such indebtedness, obligations and liabilities or in realizing on or protecting any security therefor, including without limitation the security afforded hereunder (all of such indebtedness, obligations, liabilities, expenses and charges identified in the immediately foregoing clauses (i) and (ii) being hereinafter referred to as the "Secured Obligations").

2. No Release. Nothing set forth in this Agreement shall relieve the Company from the performance of any term, covenant, condition or agreement on the

Company's part to be performed or observed under or in respect of any of the Collateral or from any liability to any party under or in respect of any of the Collateral or impose any obligation on the Agent or any Lender to perform or observe any such term, covenant, condition or agreement on the Company's part to be so performed or observed or impose any liability on the Agent or any Lender for any act or omission on the part of the Company relative thereto or for any breach of any representation or warranty on the part of the Company contained in this Agreement or under or in respect of the Collateral or made in connection herewith or therewith.

3. Use of Collateral. Notwithstanding anything to the contrary contained herein, unless an event of default hereunder has occurred and is continuing, the Agent shall from time to time execute and deliver, upon written request of the Company, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the reasonable judgment of the Company to enable the Company to continue to exploit, license, use, enjoy and protect the Collateral throughout the world.

4. Supplements; Further Assurances. The Company (i) agrees that it will join with the Agent in executing and, at its own expense, file and refile, or permit the Agent to file and refile, such financing statements, continuation statements and other instruments and documents (including without limitation this Agreement) in such offices (including without limitation the United States Patent and Trademark Office) as the Agent may reasonably deem necessary or appropriate in order to perfect and preserve the rights and interests granted to the Agent hereunder and (ii) hereby authorizes the Agent to file and refile such instruments and documents and any other instruments or documents related thereto without the signature of the Company where permitted by law and (iii) agrees to do such further acts and things, and to execute and deliver to the Agent such additional instruments and documents, as the Agent may reasonably require to carry into effect the purposes of this Agreement or to better assure and confirm unto the Agent its respective rights, powers and remedies hereunder; provided, however, that the Agent shall give the Company three business days' prior notice of any action to be taken by the Agent pursuant to this Section 4. All of the foregoing are to be at the sole cost of the Company. Any costs of the foregoing incurred by the Agent shall be payable by the Company upon demand, together with interest thereon from the date of incurrence at the Default Rate (as hereinafter defined) until so paid, and shall constitute so much additional Secured Obligations.

5. Representations and Warranties of the Company. The Company hereby represents and warrants as follows:

(a) The Company is, and, as to the Collateral acquired by it from time to time after the date hereof, the Company will be, the owner or, as applicable, licensee of all the Collateral. The Company's rights in the Collateral are and shall remain free and clear of any lien, pledge, security interest, encumbrance, license, assignment, collateral assignment or charge of any kind, including without limitation any filing of or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute, except for the lien and security interest created by this Agreement, liens permitted by the Credit Agreement and licenses permitted by Section 7 hereof. The Company has made no previous assignment, conveyance, transfer or agreement in conflict herewith, except such thereof as are being terminated or reassigned contemporaneously with

the execution of this Agreement. The Company further represents and warrants to the Agent that Schedules A and B hereto, respectively, are true and correct lists as of the date hereof of all Trademarks and Licenses which are of material importance to the business of the Company in the ordinary course as presently conducted (other than the trademarks "Taylor California Cellars" and "Paul Masson" and variants or derivatives thereof in either case including the term "Masson" or "California") and that Schedules A and B are true and correct with respect to the matters set forth therein as of the date hereof; provided, however, that nothing in this Agreement shall create a lien on any Trademark, other than the Primary Marks, if the creation of such lien would violate the terms of or create a default under or require any consent pursuant to the instrument under which the Company acquired rights in and to such Trademark.

(b) The Company has full corporate power to pledge and grant a security interest in all the Collateral pursuant to this Agreement.

(c) No authorization, consent, approval, license, qualification or exemption from, nor any filing, declaration or registration with, any court (other than in connection with the exercise of judicial remedies), governmental agency or regulatory authority, or with any securities exchange or any other party, is required in connection with (i) the Company's execution, delivery or performance of this Agreement, (ii) the Company's grant of a security interest (including the priority thereof when the appropriate filings have been made and accepted) in the Collateral in the manner and for the purpose contemplated by this Agreement or (iii) the rights of the Agent and Lenders created hereby, except those that have already been obtained or made and those referred to in paragraph (f) of this Section 5.

(d) The Company has made all necessary filings and recordations, consistent with its customary business practice, to protect its interests in the Collateral. Notwithstanding the foregoing, the failure to make such filings or recordations for Collateral other than the Primary Marks shall not constitute an event of default hereunder where such failure would not have reasonably been expected to have a material adverse effect upon the Collateral or the business of the Company in the ordinary course as presently conducted.

(e) The Company owns directly or has rights to use all patents, trademarks, service marks, trade names and copyrights and all rights with respect to any of the foregoing used in, necessary for or of importance to business of the Company in the ordinary course as presently conducted. The use of such patents, trademarks, service marks, trade names and copyrights and all rights with respect to the foregoing by the Company does not, to the best of the Company's knowledge after due inquiry, infringe on the rights of any party, nor has any claim of such infringement been made, except for such claims and uses relating to Collateral other than the Primary Marks as would not give rise to any liability on the part of the Company which, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the business of the Company in the ordinary course as presently conducted.

(f) Upon filings and the acceptance thereof in the appropriate offices under the Uniform Commercial Code and in the United States Patent and Trademark Office, this Agreement to the extent permitted by applicable law will create a valid and duly perfected first priority lien and security interest in the Collateral located in the United States subject to no prior liens or encumbrances.

(g) To the best of the Company's knowledge after due inquiry, no claim has been made and remains outstanding that the Company's use of any of the Collateral does or may violate the rights of any third person.

6. Covenants and Agreements of the Company.

(a) On a continuing basis, the Company will, at the expense of the Company, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places within the United States, all such instruments, including without limitation appropriate financing and continuation statements and collateral agreements, and take all such action, as may reasonably be deemed necessary or advisable by the Agent (x) to carry out the intent and purposes of this Agreement, (y) to assure and confirm to the Agent the grant or perfection of a first priority security interest in the Collateral for the benefit of the Lenders or (z) to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

(b) Without limiting the generality of the foregoing paragraph (a) of this Section 6, the Company (i) will not enter into any agreement that would impair or conflict with the Company's obligations hereunder, (ii) will, promptly following its becoming aware thereof, notify the Agent of (A) any final adverse determination in any proceeding in the United States Patent and Trademark Office with respect to any Primary Mark or with respect to any of the Collateral material to the business of the Company in the ordinary course as presently conducted or (B) the institution of any proceeding or any adverse determination in any federal, state, local or foreign court or administrative bodies regarding the Company's claim of ownership in or right to use any Primary Mark or any of the Collateral material to the business of the Company in the ordinary course as presently conducted, its right to register any Primary Mark or any such Collateral or its right to keep and maintain such registration; (iii) will properly maintain and care for the Collateral to the extent necessary for the conduct of the business of the Company in the ordinary course as presently conducted and consistent with the Company's current practice; (iv) will not grant or permit to exist any lien or encumbrance upon or with respect to the Collateral or any portion thereof except liens and encumbrances in favor of the Agent and liens permitted by the Credit Agreement and will not execute any security agreement or financing statement covering any of the Collateral except in the name of the Agent or as may be permitted under the Credit Agreement or this Agreement; (v) except as otherwise provided in paragraph (e) of this Section 6, will not permit to lapse or become



abandoned, settle or compromise any pending or future material litigation or material administrative proceeding with respect to any Collateral without the prior written consent of the Agent, such consent not to be unreasonably withheld, or contract for sale or otherwise dispose of the Collateral or any portion thereof except pursuant to Section 7 hereof; (vi) upon any executive officer of the Company obtaining knowledge thereof, will promptly notify the Agent in writing of any event which may reasonably be expected to materially and adversely affect the value of any Primary Mark or any of the Collateral material to the Company, the ability of the Company or the Agent to dispose of any Primary Mark or any such Collateral or the rights and remedies of the Agent in relation thereto, including without limitation a levy or threat of levy or any legal process against any Primary Mark or any such Collateral; (vii) will diligently keep reasonable records respecting the Collateral; (viii) hereby authorizes the Agent, in its sole discretion, to file one or more financing or continuation statements, and after 10 days' prior notice to the Company, amendments thereto, relative to all or any part of the Collateral without the signature of the Company where permitted by law; (ix) will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other materials evidencing or reports pertaining to the Collateral as the Agent may reasonably request, all in reasonable detail; (x) will, subject to clause (iii) of this sentence and paragraph (e) of this Section 6, pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or impositions payable in respect of the Collateral except to the extent being contested in good faith by appropriate proceedings which prevent the enforcement of the matter being contested and do not interfere with the business of the Company in the ordinary course; and (xi) comply in all material respects with all laws, rules and regulations applicable to the Collateral.

(c) If, before the Secured Obligations shall have been paid and satisfied in full, the Company shall (i) obtain any rights to any new service mark, trademark, trademark registration or trade name constituting a Trademark or (ii) become entitled to the benefit of any service mark or trademark application, trademark, trademark registration renewal or extension constituting a Trademark, the provisions of this Agreement shall automatically apply thereto and the same shall automatically constitute Collateral and be and become subject to the assignment, lien and security interest created hereby without further action by any party, all to the same extent and with the same force and effect as if the same had originally been Collateral hereunder. If the Company so obtains or becomes entitled to any of the foregoing rights described in clauses (i) and (ii), the Company shall promptly give written notice thereof to the Agent. The Company agrees, promptly following written request therefor by the Agent, to confirm the attachment of the lien and security interest created hereby to any such rights described in clauses (i) and (ii) by execution of an instrument in form and substance reasonably acceptable to the Agent.

(d) The Company authorizes the Agent to modify this Agreement by amending Schedules A or B hereto to include any future Collateral.

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(e) The Company shall, consistent with its current business practices, prosecute diligently applications for the Trademarks now or hereafter pending that in the Company's reasonable judgment would be materially beneficial to the business of the Company in the ordinary course, make application on registrable but unregistered Trademarks that in the Company's reasonable judgment would be materially beneficial to the business of the Company in the ordinary course as presently conducted, file and prosecute opposition and cancellation proceedings and do all acts necessary to preserve and maintain all its rights in the Collateral, unless as to any Trademark other than a Primary Mark, in the reasonable judgment of the Company such Trademark has become obsolete to such business of the Company. Any expenses incurred in connection with such actions shall be borne by the Company.

7. Transfers and Other Liens. The Company agrees that it will not sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral which is material to the business of the Company in the ordinary course or any Primary Mark; provided, however, that so long as no event of default hereunder has occurred and is continuing, the Company may in the ordinary course of its business grant (i) non-exclusive licenses (having a term, together with renewals, not in excess of five years) of Collateral other than the Primary Marks on terms consistent with its then current business practices and (ii) non-exclusive licenses (having a term, together with renewals, not in excess of five years) of the Primary Marks which (x) do not impair the Company's rights in or the value of the Primary Marks and (y) are granted to (1) producers or packagers of the Company's products for their use in such production or packaging or (2) licensees for their use in connection with the production, use or sale of point-of-sale and other merchandising or promotional materials.

8. Grant of License to Patents, Trademarks, Copyrights, Etc. Without in any way limiting the scope of the lien and security interest created hereby, the Company hereby grants to the Agent an irrevocable, nonexclusive license and right to use all of the Company patents, patent applications, trademarks, trademark registrations, trademark licenses, trade names, trade styles, copyrights, and similar intangibles, including without limitation the Trademarks, in the processing, production, marketing, distribution or sale by the Agent of all or any part of its collateral for the Secured Obligations in connection with and solely in connection with any foreclosure or other realization on such collateral. The license and rights granted the Agent hereby shall be exercisable without the payment of any royalty, fee, charge or any other compensation to the Company or any other party. Such license and rights shall include reasonable access to all records in which any of the licensed items may be recorded or stored. Such license and rights shall be absolute and unconditional to the extent used for the purpose stated above.

9. The Agent May Perform. If the Company fails to perform any agreement contained herein after receipt of a written request to do so from the Agent, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent, including the reasonable fees and expenses of its counsel, so incurred in connection therewith shall be payable by the Company under Section 14 hereof.

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10. Remedies Upon Default.

(a) The occurrence of any event or the existence of any condition which is specified as an Event of Default under the Credit Agreement shall constitute an event of default hereunder.

(b) Upon the occurrence and during the continuation of any event of default hereunder, the Agent shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York and any successor statute(s) thereto (regardless of whether such Code is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether such Code applies to the affected Collateral), and further the Agent may, without demand and without advertisement, notice, hearing or process of law, all of which the Company hereby waives, to the extent permitted by applicable law, at any time or times, sell and deliver any or all of the Collateral at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Agent deems advisable, in its sole discretion. In addition to all other sums due the Agent or any Lender hereunder, the Company shall pay the Agent and any Lender all costs and expenses reasonably incurred by the Agent or such Lender, including a reasonable allowance for attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of the Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Agent, such Lender or the Company concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations, including without limitation any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code. Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Company in accordance with Section 17(b) hereof at least ten days before the time of sale or other event giving rise to the requirement of such notice; however, no notification need be given to the Company if an executive officer of the Company has signed, after an event of default hereunder has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Agent shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Agent or any Lender may be the purchaser at any such sale. To the extent permitted by applicable law, the Company hereby waives all of its rights of redemption from any such sale. Subject to the provisions of applicable law, the Agent may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Agent may further postpone such sale by announcement made at such time and place.

(c) Without in any way limiting the foregoing, if any event of default hereunder shall have occurred and be continuing, the Agent may to the full extent permitted by applicable law, with ten days' prior notice to the Company, and without advertisement, notice, hearing or process of law of any kind, all of which the Company hereby waives, to the extent

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permitted by applicable law, (i) exercise any and all rights as beneficial and legal owner of the Collateral, including without limitation any and all consensual rights and powers with respect to the Collateral and (ii) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use any or all of the Collateral or any part hereof, in each case, free of all rights and claims of the Company therein and thereto. In that connection, the Agent shall have the right to cause any or all of the Collateral to be transferred of record into the name of the Agent or its nominee as well as the right to impose (i) such limitations and restrictions on the sale or assignment of the Collateral as the Agent may deem to be necessary or appropriate to comply with any law, rule or regulation, whether federal, state or local, having applicability to the sale or assignment and (ii) requirements for any necessary governmental approvals.

(d) In the event the Agent shall have instituted any proceeding to enforce any right, power or remedy under this instrument by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Agent, then and in every such case the Company, the Agent and each Lender shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Agent and the Lenders shall continue as if no such proceeding had been instituted.

(e) Failure by the Agent to exercise any right, remedy or option under this Agreement or any other agreement between the Company and the Agent or provided by law, or delay by the Agent in exercising the same, shall not operate as a waiver; no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. Neither the Agent, nor any Lender, nor any party acting as attorney for the Agent or any Lender, shall be liable hereunder for any acts or omissions or for any error or judgment or mistake of fact or law other than their gross negligence or willful misconduct. The rights and remedies of the Agent under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Agent or the Lenders may have.

11. The Agent Appointed Attorney-in-Fact. The Company hereby irrevocably appoints the Agent the Company's attorney-in-fact, with full authority in the place and stead of the Company and in the name of the Company, the Agent or otherwise, upon the occurrence and during the continuance of any event of default hereunder, or if the Company fails to perform any agreement contained herein, then to the extent necessary to enable the Agent to perform such agreement itself, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation to prosecute diligently any trademark application for Trademarks pending as of the date of this Agreement or thereafter until the Secured Obligations shall have been paid in full, to make application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings, to do all other acts necessary or desirable to preserve all rights in Collateral and otherwise to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable to enforce the rights of

the Agent and the Lenders with respect to any of the Collateral. The Company hereby ratifies all that such attorney shall do or cause to be done by virtue hereof within the scope of the authorities herein granted to it.

12. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Agent upon the occurrence and during the continuation of any event of default hereunder, including without limitation the proceeds of any sale made under or by virtue of the provisions of Section 10 of this Agreement, shall, when received by the Agent in cash or its equivalent, be applied by the Agent in reduction of the Secured Obligations as set forth in Section 4.4 of the Credit Agreement. The Company shall remain liable to the Agent and the Lenders for any deficiency. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Company or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto.

13. Indemnification; Litigation.

(a) The Company hereby indemnifies the Agent for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including reasonable attorneys' fees) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of, directly or indirectly, the manufacture, use or sale of products or processes utilizing or embodying any Collateral or any transactions contemplated hereby or any enforcement of the terms hereof; provided, however, that the Company shall not be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Agent.

(b) The Company shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such applications for protection of the Collateral, suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Collateral. To the extent required by Section 6(b)(ii), the Company shall promptly notify the Agent in writing as to the commencement and prosecution of any such actions, or threat thereof, relating to the Collateral and shall provide to the Agent such information with respect thereto as may be reasonably requested. The Agent shall provide all reasonable and necessary cooperation in connection with any such suit, proceeding or action, including without limitation joining as a necessary party. The Company shall indemnify and hold harmless the Agent for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, expenses or disbursements (including reasonable attorneys' fees) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in connection with or in any way arising out of such suits, proceedings or other actions; provided, however, that the Company shall not be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Agent.

(c) Upon the occurrence and during the continuation of any event of default hereunder, the Agent shall have the right, but shall in no way be

obligated, to file applications for protection of the Collateral or bring suit in the name of the Company, the Agent or the Lenders to enforce the Collateral. In the event of such suit, the Company shall, at the request of the Agent, do any and all lawful acts and execute any and all documents required by the Agent in aid of such enforcement and the Company shall promptly, upon demand, reimburse and indemnify the Agent, as the case may be, for all costs and expenses incurred by the Agent in the exercise of its rights under this Section 13. In the event that the Agent shall elect not to bring suit to enforce the Collateral, the Company agrees, to the extent required by Section 6, to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the Collateral by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement.

14. Expenses. The Company will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and the reasonable fees and expenses of any experts and agents, which the Agent may incur in connection with (i) the enforcement and administration of this Agreement (including, without limitation, the filing or recording of any documents), (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or any Lender hereunder or (iv) the failure by the Company to perform or observe any of the provisions hereof. All amounts payable by the Company under this Section 14 shall be due from the Company upon demand and shall bear interest from the date incurred by the Agent or Lender, as appropriate, at the rate per annum (the "Default Rate") determined by adding 2% to the rate per annum from time to time announced by said Harris Trust and Savings Bank as its prime commercial rate (with the Default Rate computed on the basis of a year of 360 days for the actual number of days elapsed and any change in the Default Rate resulting from a change in such prime commercial rate to be and become effective as of and on the date of the relevant change in such prime commercial rate). All amounts so payable, together with such interest thereon, shall be part of the Secured Obligations. The Company's obligations under this Section shall survive the termination of this Agreement and the discharge of the Company's other obligations hereunder.

15. Termination and Release. This Agreement is made for collateral purposes only. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations, both for principal and interest, have been fully paid and satisfied and any Commitment (as such term is defined in the Credit Agreement) of any Lender to extend any credit to the Company under the Credit Agreement shall have terminated and all of the Letters of Credit (as such term is defined in the Credit Agreement) have by their terms expired or been fully and indefeasibly secured with cash. Upon such termination of this Agreement, the Agent shall, upon the request and at the expense of the Company, forthwith assign, transfer and deliver, against receipt and without recourse to the Agent, such of the Collateral as may then be in the possession of the Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof to or on the order of the Company. Said assignment, transfer and delivery shall include an instrument in form recordable in the United States Patent and Trademark Office by which the Agent shall terminate, release and without representation, recourse or warranty, reassign to the Company all rights in each Trademark, including each registration thereof and application therefor, conveyed and transferred to the Agent pursuant to this Agreement.

16. The Agent. In acting under or by virtue of this Agreement, the Agent shall be entitled to all the rights, authority, privileges and immunities provided in Section 10 of the Credit Agreement, all of which provisions of said Section 10 are incorporated by reference herein with the same force and effect as if set forth herein. The Agent hereby disclaims any representation or warranty to Lenders concerning the perfection of the security interest granted hereunder or the value of the Collateral.

17. Miscellaneous.

(a) This Agreement shall create a continuing security interest in the Collateral and shall be binding upon the Company, its successors and assigns and shall inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and its successors and assigns.

(b) All communications provided for herein shall be in writing, except as otherwise specifically provided for hereinabove, and shall be deemed to have been given when delivered personally or three days after being deposited in the United States mail, addressed to the parties hereto at their addresses as shown at the beginning of this Agreement or to such other different address as the Company or the Agent may designate pursuant to a written notice sent in accordance with the provisions of this paragraph (b).

(c) In the event that any provision hereof shall be deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity of such provision shall not affect the validity of any remaining provision hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Agreement shall be deemed to have been made in the State of New York and shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of Illinois. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each constituting an original, but all together one and the same instrument. The Company acknowledges that this Agreement is and shall be effective upon its execution and delivery by the Company to and its acceptance by the Agent, and it shall not be necessary for any Lender to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

VINTNERS INTERNATIONAL COMPANY, INC.

By [Signature]  
Its Chairman of the Board

Accepted and agreed to in Chicago, Illinois as of the date first above written.

HARRIS TRUST AND SAVINGS BANK,  
as Agent for aforesaid for the Lenders

By [Signature]  
Its Vice President

TRADE-MARK

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STATE OF New York )  
COUNTY OF New York ) SS

I, Mary Conway LaPorte, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Paul M. Skilton, Chairman of Vintners International Company, Inc., a Delaware corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chairman, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 12<sup>th</sup> day of December, 1988.

(NOTARY SEAL)

Mary Conway LaPorte  
Notary Public

MARY CONWAY LaPONTE  
Notary Public, State of New York  
No. 52-4800129  
Qualified in Suffolk County  
Commission Expires October 13, 1989

(Type or Print Name)

My Commission Expires:  
Oct 13, 1989

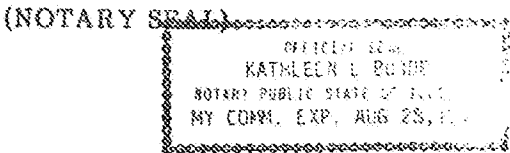
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TRADE-MARK

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Kathleen L. Burde, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Peter D. Morris, Vice President of Harris Trust and Savings Bank, an Illinois banking corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 13th day of December, 1988.

*Kathleen L. Burde*  
\_\_\_\_\_  
Notary Public



Kathleen L. Burde  
\_\_\_\_\_  
(Type or Print Name)

My Commission Expires:  
August 20, 1990

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TRADE-MARK

SCHEDULE A  
TO SECURITY AGREEMENT RE: TRADEMARKS

REGISTERED U.S. TRADEMARKS  
AND TRADEMARK APPLICATIONS

<u>Registered U.S. Trademarks</u>	<u>Reg. No.</u>	<u>Registration Date</u>
Partager	1254716	October 18, 1983
Great Western & Design	50335	March 13, 1906
Lake Country	1080563	December 27, 1977
Lake Country Red	833775	August 15, 1967
Lake Country White	884747	January 20, 1970
Lake Design	1081969	January 10, 1978
Pleasant Valley Label	404984	January 4, 1944
Taste The Music	1346675	July 2, 1985
Taylor	651282	September 3, 1957
Taylor Design	729536	April 3, 1962
Taylor Lake Country Red	833776	August 15, 1967
Taylor's	378714	June 18, 1940
Taylor's Burgundy Wine	377712	May 14, 1940
Taylor's Choice Claret	373930	December 26, 1939
Taylor's Cocktall Sherry	374817	January 23, 1940
Taylor's Port Wine	373137	November 28, 1939
Taylor's Rhine Wine	373932	December 26, 1939
Taylor's Tawny Port Wine	374565	January 16, 1940
Taylor's White Tokay	373138	January 28, 1939
Charles Fournier	641513	February 12, 1957

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TRADE-MARK

<u>Registered U.S. Trademarks</u>	<u>Registration Reg. No.</u>	<u>Date</u>
Charles Fournier (Script)	746326	March 5, 1963
Conformation of a Bottle	974237	November 27, 1973
Gold Seal	157982	August 22, 1922
Gold Seal Since 1865	657851	January 28, 1958
Gold Seal Vineyards & Design	1233856	April 5, 1983
Gold Seal Vineyards & Design Chablis Vi Grand Openings	1259593	November 29, 1983
Henri Marchant	654537	November 12, 1957
Mountain Lake	1232967	March 29, 1983
Mountain Lake Gold Seal & Des. (Steamboat)	1252404	September 27, 1983
Mountain Lake Gold Seal & Design (Sailboat)	1252403	September 27, 1983
Pierre Corbeau	654875	November 19, 1957
Six Grand Openings	1232963	March 29, 1983
The Gold Seal Wine Press & Design	1186674	January 19, 1982
Tilt Decanter	974236	November 27, 1973

Pending U.S.  
Trademark  
Applications

Filing No.

Filing Date

NONE

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SCHEDULE B  
TO SECURITY AGREEMENT RE: TRADEMARKS

TRADEMARK LICENSES

NONE

RECORDED  
PATENT & TRADEMARK OFFICE

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COMMISSIONER OF PATENTS  
AND TRADEMARKS OFFICE

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