

RECORDATION FORM COVER
TRADEMARKS ONLY

05-10-1999

DEPARTMENT OF COMMERCE
Office



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To the Honorable Commissioner of Patents and Trademarks: Please record the at

101033456

1. Name of conveying party(ies):

CLOS DU VAL WINE COMPANY, LTD.
P.O. Box 4350
Napa, CA 94558

MKD 4-30-99

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State California
- Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

The Equitable Life Assurance Society

Name: of the United States

c/o Lend Lease

Internal Address: Agri-business, Inc.

Street Address: 3203 West March Lane

City: Stockton State: CA ZIP: 95219

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State New York
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other _____

Execution Date: January 19, 1999

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See Attached Sheet

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Steven A. Parker

Internal Address: _____

05/06/1999 JSNABAZZ 00000186 75231838

01 FC:481 40.00 DP
02 FC:482 100.00 DP

Street Address: 3203 West March Lane Suite 110

City: Stockton State: CA ZIP: 95219

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....\$ 140.00

Enclosed

Authorized to be charged to deposit account

(if amount is insufficient, please debit Account No. 11-0160)

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Steven A. Parker
Name of Person Signing

Steven A. Parker
Signature

April 26, 1999
Date

Total number of pages including cover sheet, attachments, and document: 31

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 1896 FRAME: 0109

ATTACHMENT A

<u>TRADEMARK</u>	<u>SERIAL NUMBER</u>	<u>DATE OF FILING</u>	<u>REGIST. NUMBER</u>	<u>DATE REG.</u>
1. TRE GRAZIE <3 CHARMS>	75-231,838	19970127	2,132,464	19980127
2. CLOS DUVAL <ENCLOSURE IN THE VALLEY> AND DESIGN	74-124,600	19901218	1,694,732	19920616
3. JOLI VAL <PRETTY VALLEY>	74-124,599	19901218	1,675,264	19920211
4. GRAN VAL <GREAT VALLEY>	73-223,948	19790719	1,172,523	19811006
5. GRAN VAL <GRAND VALLEY> AND DESIGN	73-105,176	19761102	1,119,779	19790605



1999 004777
OFFICIAL RECORDS OF
NAPA COUNTY
JOHN TUTEUR

Recorded at request of:
NAPA LAND TITLE COMPANY

AT REQUEST OF:

NAPA LAND TITLE COMPANY
02/11/1999 08:00 AM
Fee: \$ 128.00 Pgs: 29
TT : \$.00

When recorded, mail to:
Lend Lease Agri-Business, Inc.
3203 West March Lane, Suite 110
Stockton CA 95219



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LEV_C

Loan No. F-199536

LONG FORM DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND
FINANCING STATEMENT (CALIFORNIA)

THIS DEED OF TRUST, made as of the 19th day of JANUARY, 1999, by and among CLOS DU VAL VINEYARDS, a California corporation, CLOS DU VAL WINE COMPANY, LTD., a California corporation, hereinafter called "Trustor", NAPA LAND TITLE COMPANY, a CALIFORNIA corporation whose mailing address is 951 CALIFORNIA BLVD., NAPA, CALIFORNIA 94559, ("Trustee"), and THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES ("Beneficiary"), a NEW YORK corporation whose mailing address is 1290 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK, 10104, (Federal Employer I.D. Number: 13-5570651) hereinafter called "Beneficiary":

WITNESSETH:

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged, Trustor irrevocably grants, transfers and assigns to Trustee, **IN TRUST, WITH POWER OF SALE**, all of the real property in NAPA County, California, described in Schedule A attached hereto and made a part hereof;

TOGETHER WITH (1) -0- shares of the capital stock of n/a, and the water rights represented thereby, (2) all easements, rights-of-way and rights appurtenant to said real property or used in connection therewith or as a means of access thereto, (3) all tenements, hereditaments and appurtenances thereto, including all water and water rights appertaining thereto, (4) Trustor's interest as lessor in all leases affecting said real property, (5) all buildings, structures, improvements, fixtures, attachments, appliances, equipment, machinery and other articles now or hereafter erected on, affixed or attached to, or located in or on said real property which are real property, and all substitutions, replacements, additions and accessions thereof or thereto, (6) all rents, issues, profits, royalties, bonuses, income and other benefits derived from or produced by said real property (subject, however, to the assignment of rents and profits to Beneficiary herein), and (7) all right, title, estate, interest, and other claim or demand, including,

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without limitation, all claims or demands to the proceeds of all insurance now or hereafter in effect with respect to said real property, which Trustor now has or may hereafter acquire in said real property, and all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of said real property.

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged, Trustor, as debtor, irrevocably grants and assigns to Beneficiary, as secured party, a security interest in all personal property now or hereafter owned by Trustor or in which Trustor now or hereafter has any rights and which is now or hereafter located on or at, or affixed or attached to, or produced from, or used in connection with said real property, and all substitutions, replacements, additions, accessions, products and proceeds of or to said collateral, including but not limited to: All personal property described in Schedule "B" attached hereto and made a part hereof and all irrigation and frost protection equipment, all wine making equipment, including but not limited to, crushing and pressing equipment now owned or hereafter replaced as determined by Beneficiary in its sole discretion, wine tanks now owned or hereafter replaced as determined by Beneficiary in its sole discretion, whether affixed to the security or not, including wine barrels, all winery computers, laboratory equipment, office equipment and furniture now owned or hereafter replaced as determined by Beneficiary in its sole discretion, all intellectual property, specifically including but not limited to all labels, trademarks, copyrights and tradestyles, used in marketing of wine and grape products, all farm products, inventory, fixtures, crops growing or to be grown, timber standing or to be cut, and minerals or the like (including oil and gas), including without limitation, all watering and irrigation apparatus, machinery, pumps, motors, generators, pipes and sprinklers, and all proceeds from the sale or other disposal of the collateral. This is a security agreement pursuant to the Uniform Commercial Code and Beneficiary shall have all rights and remedies of a secured party with respect to said collateral under the Uniform Commercial Code, PROVIDED HOWEVER, that nothing in this LONG FORM DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT shall prevent Trustor from obtaining secured crop financing which may include the perfection of a lien by the crop lender on the crops growing or to be grown for a period not to exceed the beginning of the next crop year. If Trustor exercises its right to place a single crop lien on the crops grown or to be grown on the subject property hereunder, such crop lien shall automatically be a first superior lien to the lien on such crop created hereby without the need for any consent or subordination from Beneficiary.

Trustor warrants to Beneficiary that, except for the security interest created hereby, Trustor owns good title to said collateral and, as to said collateral hereafter acquired, Trustor will own good title to said collateral, free and clear of all liens, security interests, encumbrances and adverse claims of any kind whatsoever. Trustor agrees that all of said collateral which is erected on, affixed or attached to, or located in or on said real property shall be deemed to be real property and a part of said real property. No fixtures or equipment (including watering and irrigation apparatus) shall be removed from said real property without the prior written consent of Beneficiary, except that Trustor shall have the right, without such consent, to remove and dispose of free from the security interest hereof such fixtures and equipment as may from time to time become worn out or obsolete, provided that Trustor shall, simultaneously with or prior to such removal, replace such removed fixtures or equipment with replacement fixtures or

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equipment having a value, quality and utility at least equal to the removed fixtures or equipment. Trustor shall, at Trustor's expense, execute and deliver to Beneficiary such financing and continuation statements covering said collateral as Beneficiary may from time to time request. All agreements of Trustor herein, and all rights of Beneficiary herein, relating to said real property shall apply to said collateral whether or not expressly referred to herein. This Deed of Trust is a financing statement and covers goods included in said collateral which are or are to become fixtures and is to be recorded in the real estate records. Trustor is the record owner of said real property. Trustor hereby agrees, acknowledges and confirms that any and all vines located on said real property are a part of the "real estate" comprising said real property and, except where removed due to disease or act of God, will remain a part of the real estate throughout the term of any indebtedness owing to Beneficiary by Trustor which is secured by this Deed of Trust.

FOR THE PURPOSE OF SECURING: (1) Payment and performance of each agreement of Clos Du Val Wine Company, LTD. in this Deed of Trust, (2) payment of the entire indebtedness evidenced by the Promissory Note of even date herewith in the principal sum of NINE MILLION FIVE HUNDRED THOUSAND AND NO/100 Dollars (\$9,500,000.00), executed by Clos Du Val Wine Company, LTD. to Beneficiary or order, and all modifications, amendments, replacements, substitutions, extensions and renewals thereof, and (3) payment of all sums advanced by Beneficiary to protect the security of this Deed of Trust, said real property or said collateral, with interest thereon at the rate per annum after default or maturity set forth in said Promissory Note.

A. To protect the security of this Deed of Trust, Trustor agrees:

1. To pay when due all indebtedness evidenced by said Promissory Note; to keep said real property in good condition and repair; not to remove or demolish any building, structure or improvement thereon; to complete or restore promptly and in good and workmanlike manner any building, structure or improvement which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to pay when due all debts that are now or may become liens against said real property, and not to suffer any lien of any kind to attach thereto which may take precedence over the lien of this Deed of Trust, and not to create any lien on said real property junior hereto unless the person entitled to the benefits thereof shall have agreed that the time for the payment of the indebtedness hereby secured and the manner of payment or amount thereof and the benefits of the security afforded hereby may, without consent of such person and without any obligation to give notice of any kind to such person, be modified, amended, replaced, substituted, extended, renewed, accelerated, suspended or refunded on any terms whatsoever without in any manner affecting the priority of the lien hereby created, as security for the payment of all indebtedness secured hereby; to comply with all laws affecting said real property or requiring any alterations or improvements to be made thereon; not to commit, suffer or permit any act upon said real property in violation of law or of any covenants, conditions or restrictions affecting said real property; not to commit or permit waste thereof, nor to do or suffer to be done any act whereby the value of any part of said real property may be lessened; to operate all lands, whether improved pastures, orchards, grazing, timber or crop lands, in a good and husbandman-like manner in accordance with accepted principles of sound

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agricultural and forestry practices; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said real property may reasonably be necessary, and to take all reasonable precautions to control wind and water erosion; to fertilize improved pastures, if any, where necessary to maintain a good stand of desirable grasses; to protect orchards and timber, if any, by reasonable precautions against loss or damage by fire, including maintenance of appropriate fire breaks; and neither to remove nor permit the removal of any timber, oil, gas, mineral, stone, rock, clay, fertilizer, gravel or top soil without the prior written consent of Beneficiary. Beneficiary shall have the right to inspect said real property at such reasonable times and intervals as Beneficiary may desire to determine Trustor's compliance with the agreements in the Deed of Trust.

2. To provide, maintain and deliver to Beneficiary property insurance covering said real property and said collateral insuring against all risks of physical loss or damage, including war risks, if available, with loss payable to Beneficiary, in such amount for each risk and in such company and in such form as shall be satisfactory to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or, at the option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor, subject to such conditions and disbursement requirements as Beneficiary may impose. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees, in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay when due all taxes and assessments affecting said real property, including assessments on appurtenant water stock, and all encumbrances, charges and liens, with interest, on said real property or any part thereof which appear to be prior or superior hereto, and all costs, fees and expenses of Trustee and this trust.

5. If Trustor fails to make any payment or to do any act in accordance with this Deed of Trust, then Beneficiary or Trustee, without notice to or demand upon Trustor and without releasing Trustor from any obligation hereunder, shall have the right, but no duty, to make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, including specifically, without limiting their general powers, the right to enter upon and take possession of said real property, to make additions, alterations, repairs and improvements to said real property which either of them may consider necessary or proper to keep said real property in good condition and repair, to appear and participate in any action or proceeding affecting or which may affect said real property, the security hereof, or the rights or powers of Beneficiary or Trustee hereunder, to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either of them may affect or appears to affect the security hereof or may be prior or superior hereto, and in exercising such powers, to pay necessary expenses, including employment of attorneys or other necessary or desirable consultants. Trustor shall, immediately upon demand therefor by Beneficiary, pay to

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Beneficiary all amounts expended by Beneficiary and all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights and powers, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and reasonable attorney's fees, together with interest thereon from the date of expenditure at the rate per annum after default or maturity set forth in said Promissory Note.

6. If said Promissory Note and this Deed of Trust, or either of them, are placed in the hands of an attorney for collection or foreclosure or other legal proceedings, Trustor shall pay all reasonable attorneys' fees for any services rendered by such attorney to Beneficiary in connection therewith and all expenses incurred, including costs of suit and evidence of title, together with interest thereon from the date of expenditure at the rate per annum after default or maturity set forth in said Promissory Note. Trustor shall pay the maximum charge allowed by law for any statement regarding the obligations secured hereby required of Beneficiary.

7. Lease dated January 1, 1973 between Livia Regusci, as Lessor, and Areti of California, a California corporation (predecessor to Clos Du Val Vineyards), as Lessee, as amended by that certain Amendment No. 1 to Lease Agreement dated January 31, 1973; as amended by that certain Amendment No. 2 to Lease Agreement dated February 18, 1975; as amended by that certain Consent to Encumbrance of Lease and Amendment to Lease dated February 25, 1987, as amended by that certain Amendment to Lease dated August 12, 1992, as amended by that certain 1995 Addendum to Regusci Lease, undated, and as amended by that certain Assignment, Assumption, Consent Agreement dated November 1, 1995 (collectively, the "Regusci Lease"):

(a) Clos Du Val Vineyards shall promptly (i) pay all rent reserved in the Regusci Lease as and when such rent becomes due and payable (without relying on any grace period provided therein); (ii) perform and observe all of the agreements, covenants and conditions required to be performed and observed by Clos Du Val Vineyards under the Regusci Lease as and when performance and observance are due (without relying on any grace period provided therein) and do all things necessary to preserve and keep unimpaired the rights of Clos Du Val Vineyards under the Regusci Lease; (iii) notify Beneficiary in writing of any default by Clos Du Val Vineyards in the performance or observance of any of the agreements, covenants or conditions of the Regusci Lease, or of the occurrence of any event which, regardless of the lapse of time, or notice, or both, would constitute a default under the Regusci Lease; and (iv) notify Beneficiary in writing of the giving of any notice by the Lessor under the Regusci Lease of a default by Clos Du Val Vineyards thereunder and send a copy of each such notice to Beneficiary.

B. It is mutually agreed that:

1. All awards of damages or compensation now or hereafter made in connection with any taking by eminent domain or condemnation for public use of or injury to said real property or any part thereof, are hereby assigned and shall be paid to Beneficiary, who may apply or release such awards or compensation received by Beneficiary in the same manner and with the same effect as above provided for disposition of proceeds of fire or other

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insurance. Trustor agrees to execute such further assignments of any such awards or compensation as Beneficiary may require.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to prompt payment when due of all other sums so secured or to declare a default for failure so to pay.

3. Without affecting the liability of any person, including Trustor, for the payment of any indebtedness secured hereby or the lien of this Deed of Trust upon said real property for the full amount of the indebtedness then remaining unpaid, Beneficiary may from time to time and without notice do any one or more of the following: substitute or release any person now or hereafter liable for payment of such indebtedness or any part thereof; extend the time or otherwise alter the terms of payment of any such indebtedness; accept additional security therefor of any kind; or substitute or release any property or any portion thereof securing such indebtedness without, as to the remainder of the security, in any way impairing or affecting the liens and priority herein created.

4. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of the Deed of Trust and said Promissory Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said real property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Promissory Note to Trustee for cancellation, and upon payment of Trustee's fees, Trustee shall reconvey, without warranty, the real property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Trustor absolutely and irrevocably assigns and transfers to Beneficiary all rents, issues, profits, royalties, bonuses, income and other benefits derived from or produced by said real property (all of the foregoing are herein the "rents and profits"). Trustor hereby gives to and confers upon Beneficiary the right, power and authority to collect said rents and profits. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, either with or without taking possession of said real property, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor or Beneficiary, for all said rents and profits and apply the same to the indebtedness secured hereby. Trustor shall, nevertheless, have the right to collect and retain said rents and profits as the same become due and payable but only before the occurrence of a default under this Deed of Trust and as long as no such default exists. The assignment of said rents and profits is intended to be a present and absolute assignment from Trustor to Beneficiary and not merely the creation of a security interest. Beneficiary's right to collect said rents and profits is not contingent upon Beneficiary's taking possession of said



real property. Upon the occurrence of a default under this Deed of Trust, and as long as any such default shall remain uncured, Beneficiary may, without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the value of said real property, or any part thereof, in its own name sue for or otherwise collect said rents and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The collection of said rents and profits, or the entering upon and taking possession of said real property, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

7. The occurrence of any of the following shall be a default under this Deed of Trust: failure to pay any indebtedness secured hereby when due; failure to perform any non-monetary agreement or obligation of Trustor herein when due within five (5) days of Trustors receipt of written notice of such failure; Trustor commences a voluntary case under the federal Bankruptcy Code as now or hereafter in effect, or any successor thereto; an involuntary case under such Bankruptcy Code is commenced against Trustor and is not controverted or, if controverted, is not dismissed within sixty (60) days after the commencement of such case; a receiver, trustee, custodian or similar official is appointed for, or takes charge of, said real property, said collateral, or all or substantially all of the property of Trustor; Trustor commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, liquidation or similar law of any jurisdiction now or hereafter in effect relating to Trustor; any such proceeding is commenced against Trustor and is not controverted or, if controverted, is not dismissed within sixty (60) days after commencement; Trustor is adjudicated insolvent or bankrupt; any order of relief or other order approving any such case or proceeding is entered; Trustor makes a general assignment for the benefit of creditors; or there has occurred a breach of, or a default under, said Promissory Note or any other provision of this Deed of Trust. Upon the occurrence of a default under this Deed of Trust, and as long as any such default exists, Beneficiary shall have the right to declare all indebtedness secured hereby to be immediately due and payable, and such indebtedness shall thereupon become immediately due and payable, without any presentment, demand, protest or notice of any kind, all of which are expressly waived by Trustor. **Any prepayment penalty that exists, as set forth in the Promissory Note, shall be applicable upon default under this Deed of Trust.**

8. Upon the occurrence of a default under this Deed of Trust, and as long as any such default exists, Beneficiary shall have the right to commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; exercise and enforce any or all of the rights and remedies available to a secured party under the Uniform Commercial Code; or deliver to Trustee a written declaration of default and demand for sale pursuant to the power of sale herein. If Beneficiary elects to foreclose this Deed of Trust by such power of sale, Beneficiary shall deposit with Trustee this Deed of Trust, said Promissory Note and evidence of expenditures secured hereby and a written notice of default and election to sell, which notice Trustee shall cause to be recorded as may then be required by law. Trustee shall, without demand on Trustor, after recordation of such notice of default and election to sell and after lapse of such time as may then be required by law, and

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after notice of sale has been given as may then be required by law, sell said real property (and said collateral, if requested by Beneficiary, as agent for Beneficiary) at the time and place of sale fixed by Trustee in said notice of sale, either as a whole or in separate parcels or items as determined solely by Beneficiary and in such order as Beneficiary may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said real property (or said collateral) by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustor waives, and relinquishes to Beneficiary, all rights to direct the order in which said real property and said collateral shall be sold or to require that said real property or said collateral be sold in separate parcels or items. Trustee shall deliver to such purchaser Trustee's deed and, if applicable, bill of sale conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and this Trust, including cost of evidence of title in connection with the sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under this Deed of Trust, not then repaid, with accrued interest at the rate per annum after default or maturity set forth in said Promissory Note; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

9. Upon the occurrence of a default under this Deed of Trust, and as long as any such default exists, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the adequacy of the security or the then value of said real property or the interest of Trustor therein, shall have the right to have a receiver of said real property appointed by any court having jurisdiction, and Trustor hereby irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases. Every right, power and remedy granted to Trustee or Beneficiary shall be cumulative and not exclusive, and each such right, power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient by Trustee or Beneficiary, and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy.

10. Beneficiary may from time to time substitute in such manner as may be provided by law a successor or successors to any Trustee named herein or acting hereunder, which successor Trustee shall thereupon succeed, without conveyance from the predecessor, to all of Trustee's powers, duties, authority and title; or, in the absence of any such law providing for the substitution of trustees in deeds of trust, Beneficiary may, with like effect, make such substitution from time to time by instrument in writing executed and acknowledged by Beneficiary and recorded in the county or counties in which said real property is situated. Said instrument shall contain the name of the original Trustor, Trustee and Beneficiary, the book and page where this Deed of Trust is recorded, and the name of the new Trustee.

11. Trustor hereby waives the right to assert any statute of limitations as a bar to the enforcement of this Deed of Trust or to any action brought to enforce said Promissory

Initials:



Note or any obligation secured by this Deed of Trust. Notwithstanding the existence of any other liens in said real property or security interests in said collateral held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the said real property or said collateral shall be subjected to the remedies provided herein. Beneficiary shall have the right to determine the order in which the indebtedness secured hereby is satisfied from the proceeds realized upon the exercise of the remedies provided herein. Trustor, any party who consents to this Deed of Trust, and any party who now or hereafter acquires a lien or security interest in said real property or said collateral and who has actual or constructive notice of this Deed of Trust hereby expressly waives and relinquishes any and all rights to demand or require the marshaling of liens or the marshaling of assets by Beneficiary in connection with the exercise of any of the remedies provided herein or permitted by applicable law. Trustor expressly waives and relinquishes any and all rights and remedies Trustor may have or be able to assert by reason of laws relating to the rights and remedies of sureties or guarantors.

12. The invalidity of any provision of this Deed of Trust shall not affect the remaining provisions of this Deed of Trust or any part thereof and this Deed of Trust shall be construed as if such invalid provision, if any, had not been inserted herein.

13. The trust hereby created shall be irrevocable by Trustor.

14. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their respective heirs, personal representatives, successors and assigns. The term Beneficiary means the original Beneficiary hereunder or any future owner and holder, including pledgees, of said Promissory Note. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine or the neuter and the singular number includes the plural. All obligations of each Trustor hereunder are joint and several.

15. If Trustor, or any successor or assign, sells, conveys, alienates, leases (other than to tenants in the ordinary course of business with no option to purchase), assigns, transfers or encumbers, or contracts to sell, convey, alienate, lease (other than to tenants in the ordinary course of business with no option to purchase), assign, transfer or encumber, all or any part of said real property or any interest in said real property, or if more than forty-nine percent (49%) of the capital or voting stock or partnership or other beneficial interest of Trustor is sold, conveyed, alienated, assigned, transferred, or encumbered, whether any of the foregoing events occurs in any manner, directly or indirectly, whether voluntary, involuntary or by operation of law, without the prior written consent of Beneficiary then, and in any such event, all indebtedness secured by this Deed of Trust shall become immediately due and payable at the election of Beneficiary, without notice. Trustor shall give reasonable written notice to Beneficiary of any transfer of said real property or other event described in this paragraph prior to any such transfer or event. Trustor shall furnish in writing to Beneficiary all reasonable information concerning any transfer of said real property or other such event that is requested by Beneficiary, including, without limitation, the name and address of the transferee, financial statements of the transferee, a full description of the business of the transferee, and the complete terms of the transfer.



16. a. As used in this Deed of Trust, the following definitions shall apply:

1) "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. section 6901, et seq., the Clean Water Act, 33 U.S.C. section 1251, et seq., the Hazardous Substance Account Act, California Health and Safety Code section 25100, et seq., the Medical Waste Management Act, California Health and Safety Code section 25015, et seq., and the Porter-Cologne Water Quality Control Act, California Water Code section 13000, et seq.

2) "Hazardous Substances" shall mean any substance or material described as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity.

3) "Person" shall mean any natural person, any organization or legal entity of any kind, and any government or governmental agency or authority of any kind, including the US. Environmental Protection Agency, the California Environmental Protection Agency, and the California Department of Toxic Substances Control.

4) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including continuing migration, of Hazardous Substances into or through soil, surface water or groundwater.

b. Trustor shall not use, produce, process, manufacture, generate, treat, handle, store, or dispose of any Hazardous Substances in, on or under said real property, or use said real property for any such purposes, or Release any Hazardous Substances into any air, soil, surface water or groundwater comprising said real property, or permit any Person using or occupying said real property or any part thereof to do any of the foregoing. The preceding sentence shall not prohibit the ordinary use of Hazardous Substances normally used in the operation or maintenance of properties similar to said real property, provided the amount of such Hazardous Substances does not exceed the quantity necessary for the normal operation and maintenance of said real property in the ordinary course of business and the use, storage and disposal of such Hazardous Substances strictly comply with all applicable Environmental Laws. Trustor shall comply, and shall cause all persons using or occupying said real property or any part thereof to comply, with all Environmental Laws applicable to said real property, or the use or occupancy thereof, or any operations or activities therein or thereon. Trustor shall obtain all permits, licenses and approvals required by all applicable Environmental

Initials:



Laws for the use and occupancy of, and all operations and activities in, said real property, comply fully with all such permits, licenses and approvals, and keep all such permits, licenses and approvals in full force and effect. Immediately after Trustor obtains any information indicating that any Hazardous Substances may be present or any Release or threatened Release of any Hazardous Substances may have occurred in, on or under said real property (or any nearby real property which could migrate to said real property) or that any violation of any Environmental Laws may have occurred at said real property, Trustor shall give written notice thereof to Beneficiary with a reasonably detailed description of the event, occurrence or condition in question. Trustor shall immediately furnish to Beneficiary copies of all written communications received by Trustor from any Person (including notices, claims or citations that any Release or threatened Release of any Hazardous Substances or violation of any Environmental Laws has actually or allegedly occurred) or given by Trustor to any Person concerning any past or present Release or threatened Release of any Hazardous Substances in, on or under said real property (or any nearby real property which could migrate to the said real property) or any past or present violation of any Environmental Laws at said real property. If Beneficiary obtains any information that Beneficiary believes in good faith indicates a reasonable possibility that any Hazardous Substances may be present or any Release or threatened Release of any Hazardous Substances may have occurred in, on or under said real property (or any nearby real property which could migrate to said real property) or any violation of any Environmental Laws may have occurred at said real property, then Trustor shall, at the expense of Trustor, promptly after a request by Beneficiary, have a qualified environmental engineer investigate the presence, Release or threatened Release of such Hazardous Substances and the existence of such violation of Environmental Laws and prepare and submit to Beneficiary a written report containing the findings and conclusions resulting from such investigation. The environmental engineer who will prepare the report, the scope of the investigation to be undertaken (which may include soil and groundwater sampling) and the methodology to be used shall be subject to the prior written approval of Beneficiary. Beneficiary (and its representatives) shall have the right, at all reasonable times and after reasonable prior notice (except no such notice shall be required in an emergency) to inspect said real property and every part thereof and to review all books, records and files of Trustor relating to any past or present Release or threatened Release of any Hazardous Substances in, on or under said real property or any past or present violation of any Environmental Laws at said real property, and Trustor shall give Beneficiary access to said real property for such purposes. Trustor shall promptly furnish in writing to Beneficiary all information concerning any past or present Release or threatened Release of any Hazardous Substances in, on or under said real property or any past or present violation of any Environmental Laws at said real property that is requested from time to time by Beneficiary. Trustor acknowledges that all inspections and reviews undertaken by Beneficiary are solely for the benefit and protection of Beneficiary and agrees that Beneficiary shall have no duty to Trustor with respect to Hazardous Substances or Environmental Laws as a result of any such inspections or reviews.

c. If any Release or threatened Release of any Hazardous Substances in, on or under said real property exists or occurs, Trustor shall immediately give written notice of the condition to Beneficiary, and Trustor shall promptly clean up and remove all Hazardous Substances and restore said real property (the "Remediation Work"). Trustor shall comply with the orders and directives of all Persons having jurisdiction over said real property

Initials:



or the Remediation Work. Trustor shall submit to Beneficiary, for Beneficiary's prior written approval, complete plans and specifications for all Remediation Work to be done by Trustor before any Remediation Work is performed, except in an emergency. Such plans and specifications shall be prepared by a qualified environmental engineer approved in writing by Beneficiary, and in compliance with all applicable Environmental Laws and other applicable laws, ordinances, rules and regulations. Trustor shall obtain all required permits, licenses and approvals for the Remediation Work, prosecute the Remediation Work diligently, and complete the Remediation Work in a timely manner. Trustor shall pay for all Remediation Work, including the cost of plans and specifications, utilities, permits, fees, taxes and insurance premiums in connection therewith. Trustor shall, on demand, pay to Beneficiary all direct costs and reimburse Beneficiary for all expenses incurred by Beneficiary in connection with any review, approval or inspection by Beneficiary relating to the Remediation Work, together with interest thereon from the date of expenditure until paid at the annual interest rate after maturity set forth in said Promissory Note. Under no circumstances shall Beneficiary be liable to Trustor for any damage, loss, cost or expense incurred by Trustor on account of any plans and specifications for the Remediation Work, the performance of any Remediation Work or any delay in completion of any Remediation Work. Trustor shall furnish to Beneficiary, promptly upon receipt or preparation, copies of all reports, studies, analyses, investigations, contracts, correspondence, claims, complaints, pleadings and other information and communications received or prepared by Trustor at any time in connection with any Remediation Work, or any past or present Release or threatened Release of any Hazardous Substances in, on or under said real property (or any nearby real property which could migrate to said real property), or any past or present violation of any Environmental Laws at said real property, or the necessity for or adequacy of any Remediation Work.

d. Trustor shall indemnify and defend Beneficiary (and its directors, officers, employees, agents and representatives) against and hold Beneficiary (and its directors, officers, employees, agents and representatives) harmless from all claims, demands, liabilities, losses, damages, costs and expenses in any way arising from, relating to or connected with the existence, location, nature, use, generation, manufacture, storage, disposal, handling, or past, present or future Release or threatened Release of any Hazardous Substances in, on or under said real property, or any past, present or future violation of any Environmental Laws at said real property, or any breach of any representation or warranty made by Trustor in this Deed of Trust, or any failure to perform any obligation of Trustor in accordance with this Deed of Trust. The foregoing indemnification shall include all expenses of investigation and monitoring, costs of containment, abatement, removal, disposal, repair, cleanup, restoration and remedial work, penalties, fines, attorneys' fees and disbursements, and other response costs. If Trustor fails to perform any obligation of Trustor in accordance with this Deed of Trust, Beneficiary shall have the right, but no obligation, to perform such obligation on behalf of Trustor. Trustor shall, on demand, pay to Beneficiary all sums expended by Beneficiary in the performance of any such obligations of Trustor, together with interest thereon from the date of expenditure until paid at the annual interest rate after maturity set forth in said Promissory Note. If any event of default occurs under this Deed of Trust, Beneficiary shall have the right, but no obligation, at the expense of Trustor, to have a comprehensive environmental assessment of said real property, including soil and groundwater sampling and in scope satisfactory to Beneficiary, prepared by an engineer selected by Beneficiary, in order to ascertain whether any Hazardous Substances

Initials:



are present or any Release or threatened Release of Hazardous Substances has occurred in, on or under said real property (or any nearby real property which could migrate to said real property) or any violation of any Environmental Laws exists at said real property. Trustor shall, on demand, pay to Beneficiary all sums expended by Beneficiary in connection with any such comprehensive environmental assessment, together with interest thereon from the date of expenditure until paid at the annual interest rate after maturity set forth in said Promissory Note.

e. The obligations of Trustor under this paragraph 16 are separate from and in addition to the obligations to pay the indebtedness evidenced by said Promissory Note and to perform the other obligations under this Deed of Trust. The liability of Trustor under this paragraph 16 shall not be limited to or measured by the amount of the indebtedness owed under said Promissory Note or this Deed of Trust or the value of said real property. Trustor shall be fully and personally liable for all obligations of Trustor under this paragraph 16 and a separate action may be brought and prosecuted against Trustor under this paragraph 16. The liability of Trustor under this paragraph 16 shall not be subject to any limitations set forth in said Promissory Note or elsewhere in this Deed of Trust on personal liability for the payment of the indebtedness evidenced by said Promissory Note, or the remedies of Beneficiary for enforcement of the obligations under said Promissory Note or this Deed of Trust, or the recourse of Beneficiary for satisfaction of such obligations. Trustor agrees that no action for the enforcement of or recovery of damages under this paragraph 16 shall constitute an action within the meaning of California Code of Civil Procedure section 726, which shall not apply to this paragraph 16, and no judgment against Trustor in any action pursuant to this paragraph 16 shall constitute a money judgment or a deficiency judgment within the meaning of California Code of Civil Procedure sections 580a, 580b, 580d or 726. This paragraph 16 and the obligations of Trustor hereunder shall survive, and remain in full force and effect after, any reconveyance of this Deed of Trust or any foreclosure of this Deed of Trust (whether by judicial action, exercise of the power of sale, deed in lieu of foreclosure, or otherwise) with respect to any past, present or future Release or threatened Release of any Hazardous Substances in, on or under said real property, or any past, present or future violation of any Environmental Laws at said real property which occurred, or the onset of which occurred, before such reconveyance or foreclosure, and Beneficiary shall have the right to enforce this paragraph 16 after any such reconveyance or foreclosure. This paragraph 16 shall not affect, impair or waive any rights or remedies of Beneficiary or any obligations of Trustor with respect to Hazardous Substances created or imposed by Environmental Laws (including Beneficiary's rights of reimbursement or contribution under Environmental Laws). The remedies in this paragraph 16 are cumulative and in addition to all remedies provided by law.

17. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee is a party unless brought by Trustee.

18. Trustor hereby expressly, irrevocably, fully and forever releases, waives, and relinquishes any and all right to trial by jury and to receive punitive or exemplary damages from Beneficiary (or shareholder, director, officer, employee, agent, representative, partner or participant or subsidiary of Beneficiary) in any claim, demand, action, suit, proceeding, or cause

Initials:



of action in which Trustor and Beneficiary are parties, which in any way (directly or indirectly) arises out of, results from or relates to any of the following, in each case whether now existing or hereafter arising and whether based upon contract or tort or any other legal basis: This Deed of Trust and said Promissory Note, or either of them; any past, present or future act, omission, conduct or activity with respect to this Deed of Trust and said Promissory Note, or either of them; any transaction, event or occurrence contemplated by this Deed of Trust and said Promissory Note, or either of them; the performance of any obligation or the exercise of any right under this Deed of Trust and said Promissory Note, or either of them; or the enforcement of this Deed of Trust and said Promissory Note, or either of them. Trustor agrees that this Deed of Trust constitutes written consent that trial by jury shall be waived in any such claim, demand, action, suit, proceeding or other cause of action pursuant to California Code of Civil Procedure section 631 and agrees that Beneficiary shall have the right at any time to file this Deed of Trust with the clerk or judge of any court in which any such claim, demand, action, suit, proceeding or other cause of action may be pending as statutory written consent to waiver of trial by jury in accordance with California Code of Civil Procedure Section 631.

19. For each year of the term of this loan, the Trustor shall provide Financial Statements reviewed by an independent certified public accounting firm acceptable to Beneficiary and of a recognized national reputation within 120 days after the end of the fiscal year of Trustor. Simultaneously with the delivery of the annual Financial Statements, Trustor shall deliver a certificate of the Chief Financial Officer of Trustor (or such other officer of the Trustor reasonably acceptable to Beneficiary) accompanied by supporting financial worksheets in form reasonably acceptable to Beneficiary, certifying on behalf of Trustor, that Trustor has complied with the financial covenants contained in this instrument.

20. (i) Trustor is not an employee benefit plan as defined in Section 3 (3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title 1 of ERISA nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Service Code of 1986, as amended (each of the foregoing hereinafter referred to collectively as "Plan"); (ii) Trustor's assets do not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation Section 2510.3-101; (iii) Trustor will not transfer or convey the property to a Plan or to a person or entity whose assets constitute such "plan assets", and Trustor will not be reconstituted as a Plan or as an entity whose assets constitute "plan assets"; (iv) Trustor will not enter into any space leases affecting the property where the tenant thereunder is a Plan or an entity whose assets constitute such "plan assets"; and (v) with respect to the indebtedness secured by this Deed of Trust, Trustor is acting on its own behalf and not on account of or for the benefit of any Plan.

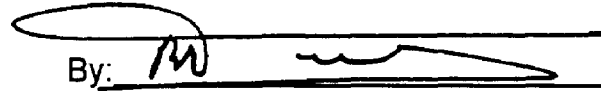


C. The following schedules are annexed hereto and made a part hereof: Schedule "A", Legal Description and Schedule "B", Intellectual Property and Equipment List.

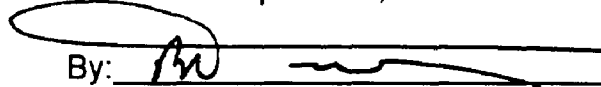
D. Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the following address as provided by law:

Signature of Trustors:

Clos Du Val Vineyards, a California corporation, Trustor

By: 
Bernard M. Portet
By: _____

Clos Du Val Wine Company, LTD., a California corporation, Trustor

By: 
Bernard M. Portet
By: _____

Street Address
P.O. Box 4350
Napa, CA 94558

TIN: 94-2197438

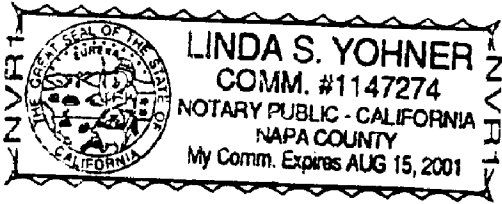
Initials: 

STATE OF CALIFORNIA)
) SS:
COUNTY OF NAPA)

On 2-4, 1999, before me, Linda S. Yohner, a Notary Public in and for the State of California, personally appeared Bernard M. Portet, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the within instrument in his or her authorized capacity and that, by his or her signature on the within instrument, the person or entity upon behalf of which he or she acted executed the within instrument.

WITNESS my hand and official seal.

(SEAL)



Linda S. Yohner
Notary Public

My commission expires: 8-15-01

W1005Q RVSD 08-24-98
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SCHEDULE "A"
Legal Description
Clos Du Val Wine Company, LTD., a California corporation
F-199536

The land referred to herein is situate in the State of California, County of Napa, and is described as follows:

PARCEL ONE:

Commencing at a point on the Western line of the County Road from Napa to Sonoma, commonly known as the "Old Sonoma Road", at the intersection thereof with the Northeastern line of the County Road leading from said Old Sonoma Road to Browns Valley, running thence along the Northwestern line of the Old Sonoma Road North 23 degrees East 757 feet and North 48 degrees 36' East 424 feet to a fence corner; thence along a fence North 50 degrees 23' West 694 feet and North 37 degrees 48' West 1209 feet to a fence corner on the Eastern line of the County Road known as Buhman Road; thence along the Eastern line of said Buhman Road South 16 degrees 37' West 1029 feet and South 34 degrees 26' East 1687 feet to the point of commencement.

APN 047-030-005

PARCEL TWO:

Commencing at the point of intersection of the Western line of the County Road from Napa to Sonoma, commonly known as the "Old Sonoma Road", with the Southwesterly line of Buhman Avenue; thence along the Southwestern line of Buhman Avenue North 34-3/4 degrees West 25.96 chains to the Southern line of Henry Road; thence along the Southern line of last mentioned road South 79-1/2 degrees West 1.70 chains to an angle; South 52-1/4 degrees West 11.87 chains to an angle; South 81-3/4 degrees West 2.02 chains to a stake; thence leaving road and running parallel to the line first above described, South 34-3/4 degrees East 36.50 chains to the original Western line of Old Sonoma Road; thence along said Western line North 23 degrees East 17.93 chains to the point of commencement.

APN 047-080-001

CONTINUED

Initials:



PARCEL THREE:

Beginning on the original Western line of the County Road, leading from Napa to Sonoma, commonly known as the "Old Sonoma Road", distant thereon South 23 degrees West 17.93 chains from the intersection thereof with the Southwestern line of Buhman Avenue; thence North 34-3/4 degrees West parallel with the Southwestern line of Buhman Avenue, 36.50 chains to a stake on the Southern line of Henry Road; thence along the Southern line of last mentioned road South 81-3/4 degrees West 2.50 chains to the Eastern line of land now or formerly of Thomas Collins; thence along Eastern line of said last mentioned lands South 23 degrees West 26.65 chains to the Northeastern line of the 320 acre tract conveyed to Theron Ink by Deed dated November 18, 1856 and recorded November 18, 1856 in Book C of Deeds, at Page 627, said Napa County Records; thence along the Northeastern line of said 320 acre tract South 34 degrees East 32.97 chains to the Northwestern line of Lot 2 as shown on the map entitled, "Map of the Subdivisions of the Home Tract of the James Dealy Ranch on Carneros Creek, Napa Co., Cal.", filed September 7, 1894 in Book 1 of Maps at Page 77 in the office of the County Recorder of said Napa County; thence along said Northwestern line of said Lot 2 the following courses and distances: North 81 degrees East 2.34 chains, North 86-1/2 degrees East 1.81 chains, South 80-1/2 degrees East 0.84 chains and South 74-1/2 degrees East 1.19 chains to original Western line of Old Sonoma Road; thence North 23 degrees East along said Western line 23.80 chains to the point of commencement.

Excepting from Parcels Two and Three above, that portion thereof described in the Deed to the County of Napa, recorded April 20, 1966 in Book 744 of Official Records at Page 444, Napa County Records.

APN 047-080-027

PARCEL FOUR:

Parcel "B", as shown on the map entitled, "Property of George E. Capps, etal", filed June 21, 1972 in Book 4 of Parcel Maps at Page 13, in the office of the County Recorder of said Napa County.

APN 039-051-004

PARCEL FIVE:

Parcel "A", as shown on the map entitled, "Property of George E. Capps, etal", filed June 21, 1972 in Book 4 of Parcel Maps at Page 13, in the office of the County Recorder of said Napa County.

APN 039-051-005

CONTINUED

Initials: 

9 5 0 0 4 7 7 7 0 0 1 8

PARCEL SIX:

Beginning at the Northeast corner of Parcel Two as described in the Deed to John Yen Pun and wife, recorded July 10, 1978 in Book 1088 of Official Records at Page 206 in the office of the Napa County Recorder; thence along the Northeast line of said Parcel Two, South 36 degrees 15'00" East 18.34 feet; thence leaving said Northeast line South 54 degrees 06'54" West 318.73 feet; thence South 35 degrees 34'36" East 236 feet; thence North 55 degrees 53'03" East 321.72 feet to the Northeast line of said Parcel Two; thence along the boundary lines of Parcel Two and Parcel One described in said Book 1088 of Official Records at Page 206 as follows: South 36 degrees 15'00" East 395.73 feet, South 53 degrees 45'00" West 772.48 feet, North 36 degrees 11'26" West 1319.90 feet, North 53 degrees 45'00" East 771.10 feet and South 36 degrees 15'00" East 659.89 feet to the point of beginning.

APN 031-180-052

PARCEL SEVEN:

A right of way 56 feet in width the center line of which commences at the most Eastern corner of Parcel Three described in the Deed to John Yen Pun and wife above referred to and runs North 53 degrees 45' East 766.50 feet to the center line of Caymus Avenue.

PARCEL EIGHT:

A right of way 56 feet in width the center line of which is described as follows:

Beginning at the Southwesterly terminus of the center line of the 56 foot right of way described as Parcel Seven hereinabove; thence South 53 degrees 45' West a distance of 62 feet.

PARCEL NINE:

Parcel One, as shown on the map entitled, "Parcel Map #2357 being a portion of the Rancho Yajome and Section 4, Township 6 North, Range 4 West, Mount Diablo Meridian", filed March 23, 1973 in Book 5 of Parcel Maps at Page 9 in the office of the County Recorder of said Napa County.

APN 039-030-021

CONTINUED

Initials:



PARCEL TEN:

Parcel Two, as shown on the map entitled, "Parcel Map #2357 being a portion of the Rancho Yajome and Section 4, Township 6 North, Range 4 West, Mount Diablo Meridian", filed March 23, 1973 in Book 5 of Parcel Maps at Page 9 in the office of the County Recorder of said Napa County.

APN 039-030-022

PARCEL ELEVEN:

An easement for ingress and egress over and along a parcel of land described as follows:

Beginning at a point on the Northeasterly line of Silverado Trail, at the most Southerly corner of parcel One, according to the Parcel Map of the lands of Livia Regusci, recorded March 23, 1973 in Book 5 of Parcel Maps at Page 9 in the office of the County Recorder of said County; thence from said point of beginning and along the Southeasterly line of said Parcel One, North 57 degrees 34'39" East 928.80 feet; thence North 59 degrees 59'21" East 517.36 feet; thence North 57 degrees 01'31" East 720.09 feet; thence North 48 degrees 57'37" East 246.10 feet to the most Eastern corner of said Parcel One; thence South 34 degrees 02'39" East to a point which bears North 55 degrees 57'17" East from the most Northern corner of Parcel 2 as shown on the map hereinabove referred to; thence South 55 degrees 57'17" West to said most Northern corner of Parcel 2; thence along the Northwestern line of said Parcel 2; South 55 degrees 57'17" West 21.05 feet; thence South 56 degrees 15'20" West 303.85 feet; thence South 58 degrees 20'12" West 264.83 feet; thence South 60 degrees 16'33" West 404.31 feet; thence South 60 degrees 23'45" West 559.28 feet; thence South 54 degrees 21'18" West 379.87 feet to the most Western corner of said Parcel 2; being a point in the Northeasterly line of Silverado Trail; thence North 34 degrees 06'00" West along said Northeasterly line 52.73 feet to the point of beginning.

Said easement shall be appurtenant to Parcels Nine and Ten hereinabove described.

Initials:



Schedule "B" Equipment List
 Clos Du Val Wine Co., LTD.
 F-199536

Winery
 Stainless Steel Tanks

Tank #	# Tanks	Gallons	Location	Jacketed	Insulated	Age	Est. Total Gallons
701	1	332	Cellar	Yes	No	?	332
67,68	2	500	Varies	Yes	No	?	1,000
702-704	3	613	Cellar	Yes	No	?	1,839
60	1	620	Cellar	Yes	No	?	620
61-63	3	1,091	Cellar	Yes	No	?	3,273
21	1	1,188	Cellar	Yes	No	?	1,188
22	1	2,078	Cellar	Yes	No	?	2,078
18-20	3	2,322	Cellar	Yes	No	?	6,966
7,8	2	2,760	Cellar	Yes	No	?	5,520
24-26	4	2,931	Cellar	Yes	No	?	11,724
27-28	2	3,353	Cellar	Yes	No	?	6,706
1,2	2	4,138	Cellar	Yes	No	?	8,276
29,30,61	3	4,243	Cellar	Yes	No	?	12,729
15	1	5,018	Cellar	Yes	No	?	5,018
16,17	2	5,730	Cellar	Yes	No	?	11,460
1-34	6	5,995	Cellar	Yes	No	?	35,970
37,38,39	3	6,028	Cellar	Yes	No	?	18,084
5-41	9	6,109	Cellar	Yes	No	?	54,981
11-14	4	10,108	Cellar	Yes	No	?	40,432
							<u>53</u>
							<u>228,226</u>

Initials:



Wood Tanks

Tank #	Tanks	Gallons	Age	Est.	Condition	Total Gallons
201-237	20	1,350	10		Fair	27,000
305-307	3	1,700	10		Fair	5,100
01-03	3	1,800	10		Fair	5,400
208,228	2	3,000	10		Fair	6,000
101-304	13	4,700	6		Fair	61,100
	<u>41</u>					<u>104,600</u>


The used value of a wood tank based on the value of the wood only
 It is assumed that the tank would be disassembled to be moved
 and the only thing of value is the wood itself.

Initials:

**Winery
Oak Barrels**

Wood Type	Age Years	Size Gallons	Used Value	Barrel Count
French	1	59	\$250	588
	2	59	\$175	502
	3	59	\$100	473
	4+	59	\$20	1,192
French Total				<u>2,755</u>
American	1	59	\$125	105
	2	59	\$50	70
	3+	59	\$20	115
	American Total			
Barrel Totals				3,045
Permanent Racks				1920
Barrel Pallets				700
Grand Total				

Barrel Values	
New	\$550
1 Year	\$250
2 Years	\$175
3 years	\$100
4 Years	\$20
Pallets	\$55

Initials: 

**Winery
Crushing and Pressing Equipment**

Item #	Description	Manufacturer	Model Number	Serial Number	Estimated Age	Condition	Location
1	5 ton Hoist	-	-	-	?	?	Outside
1	20' SS Pump Hopper	Valley Foundry	8' Wide	-	20	Fair	Outside
1	Grape Incline Conveyor	Valley Foundry	14"	12' Long	20	Fair	Outside
1	50 Tons/Hour Steamer	HMIC	250R	64-25	34	Fair	Outside
1	50 Tons/Hour Must Pump	HMIC	60	-	20	Fair	Outside
1	Tank Press	Vasfin	CEP 1000	-	14	Fair	Outside
1	Tank Press	Scharenberger	FHP 5000	88305	10	Fair	Outside
1	4" SS Must Line	Clos du Val	400 Feet	-	?	Fair	Outside
1	Screw Conveyors	Clos du Val	12"	15' Long	10	Fair	Outside
1	Juice Tub	Clos du Val	180 Gallon	-	?	Fair	Cellar

Crushing & Pressing

Item #	Description	Manufacturer	Model Number	Serial Number	Estimated Age	Condition	Location
1	30 Sq Ft. Pressure Screen Filter	Velo	0035A42	-	10	Good	Cellar
1	16" Pad Filter	Schenk	50 Sq Ft.	-	13	Fair	Cellar
1	24" Plate Filter	Schenk	KEP 470/1011	-	15	Fair	Whse
2	Cartridge Filter	Milipore	1 Tube	-	5	Fair	Cellar
1	Various Wine Hose	Clos du Val	1,000 Feet	-	Varies	Varies	Outside
1	Various Fittings	Clos du Val	-	-	Varies	Varies	Inside
1	Various Lab Equipment	Clos du Val	-	-	Varies	Varies	Lab
1	Various Shop Equipment	Clos du Val	-	-	Varies	Varies	-
1	Pressure Washer	KEW	1502V	-	9	Fair	Cellar
1	Tank Mixer	Guth	26	-	10	Fair	Cellar
1	32" Al Catwalks	Clos du Val	400 Feet	-	-	Fair	Cellar
1	4,000# Fork Lift	Toyota	2FBCA25	11837	20	Fair	Winery
1	Humidity Control Fog System	Mefog	-	-	1	New	Barrels

Wine Processing

Initials: 

**Winery
Bottling Equipment**

Item #	Description	Manufacturer	Model Number	Serial Number	Estimated Age	Condition	Building Location
Combiner	Hand Dump	Clos du Val	3' x 8'	-	1	Good	Bottling
Rinsers	Pneumatic	Mc Brady	Orbit 60	A48-1707	5	Good	Bottling
Filler	20 Spout Gravity	Bertoloso	Olympia 20	9020023	2	Good	Bottling
Corker	4 Lead	Bertoloso	Delta 604R	-	8	Good	Bottling
Dispenser	Foil	R&G	-	-	?	Fair	Bottling
Spinner	8 Lead	Bertoloso	Zeta 108	-	10	Fair	Bottling
Bottle Labeler	Rotary	C&G	72A 2R	905248	17	Fair	Bottling
Case Packer	Inline	Harkness	M5	012	1	New	Bottling
Case Sealer	Hot Melt	Harkness	L-130	17-144	1	New	Bottling
Case Dater	Ink Jet	Diagraph	PA 4010	-	1	New	Bottling
Conveyor	Bottle/Case	Clos du Val	-	-	-	Fair	Bottling
Installation	-	-	-	-	-	Fair	Bottling
Fork Lift	4,500# Electric	Toyota	5T3C	-	?	Fair	Bottling
Pallet Jack	4,500# Electric	PNIX	BT	243283	2	Fair	Bottling
Total							

Initials: 

0000 4777 0025

Winery
Refrigeration, Hot Water, Air

#	Item	Description	Manufacturer	Model Number	Serial Number	Estimated Age	Condition	Building Location
Unit 1	Building	Carrier	40 HP	38YHC485	?	Fair	East Wall	
Unit 1	Building	Carrier	15 HP	38B000	?	Fair	East Wall	
Unit 1	Glycol Chiller	Carrier	90 HP	.	?	Fair	East Wall	
Unit 1	Glycol Chiller	Carrier	30	.	?	Fair	East Wall	
Controls	Lot	Tank Jacket	Clos du Val	.	.	Varie	Cellar	
Piping	Lot	Glycol	Clos du Val	

Refrigeration

Boiler 1 Not Found Allowance
 Tank 1 Not Found Allowance
 Boilers

Air Compressor Lot Not Found Allowance
 Air

Initials:



**Winery
Portable Pumps**

Type	#	Items	Description	Manufacturer	Model Number	Serial Number	Estimated Age	Condition	Building Location
C	1	2" x 2" x 10"	V. Foundry	HH122	1982	16	Fair	Cellar	
PD	1	3 HP Lobe	Waukesha	60	.	?	Fair	Varies	
PD	3	7.5 HP Lobe	Waukesha	130	.	?	Good	Varies	
	<u>5</u>								

- Type
- C End Suction Centrifugal
 - PD Positive Displacement
 - PIR Peristaltic
 - PC Progressive Cavity
 - V Vane

Initials: 

**Winery
Miscellaneous**

		Domestic Water			Building	
#	Description	Manufacturer	Age	Condition	Location	
Well 1	25 GPM	Cols du Val	3	Good	Well	
Water Tank 1	10,000 Gal Concrete	Cols du Val	3	Good	Well	
Water Treatment 1	Filter, Softener	Cols du Val	1	New	Well	
Installation 1	Water Treatment	Cols du Val	?	Fair	Winery	
Piping 1	500 Feet	Cols du Val	?	Fair	Winery	
Total						

Fire Protection

#	Description	Manufacturer	Age	Condition	Building
Reservoir 1	Waste Water Ponds	Cols du Val	?	Fair	Ponds
Fire Pump 1	750 GPM Electric	Paterson	9	Fair	Ponds
Sprinklers 1	Building	Cols du Val	Varies	Fair	Winery
Piping 1	Fire Loop	Cols du Val	9	?	Winery
Total					

Electrical

#	Description	Manufacturer	Age	Condition	Location
Main 1	600 Amp.	Cols du Val	20	Poor	Refrigeration
Wiring 1	300 HP	Cols du Val	20	Fair	Winery
Total 1					

Waste Water

#	Description	Manufacturer	Age	Condition	Building
Ponds 1	3,000,000 Gallons	Cols du Val	10	Fair	North Side
Aerators 1	3-5HP Hi Speed	?	10	Fair	Ponds
Screen 1	1' x 2' Dia. Rotary	Cols du Val	10	Fair	Ponds
Installation 1	Equipment	Cols du Val	10	Fair	Ponds
Sewer Lines 1	500 Feet	Cols du Val	?	?	Winery
Total					

Miscellaneous

Initials:

0000 0000 0000 0000

**SCHEDULE "B"
EQUIPMENT LIST
Loan No. F-199536
Clos Du Val Wine Co., LTD.**

<u>MAKE</u> <u>PUMP</u>	<u>SERIAL</u> <u>NUMBER</u>	<u>COLUMN</u> <u>SIZE</u>	<u>TYPE</u>	<u>MAKE</u> <u>MOTOR</u>	<u>SERIAL</u> <u>NUMBER</u>	<u>RATED</u> <u>H.P.</u>	<u>TYPE</u>
Peabody Barnes Berkeley	59610279	6"	Cent.	GE	249A5400	20	Elec.
	8044422	2"	Cent.	Unkn.	KC25411DR7320CD	20	Elec.

Any and all tradenames and tradestyles, whether common law or registered, and whether registered with the State of California or any state or the federal government or any other government; and any and all label, designs or other copyrighted materials whether common law or registered, and whether registered with the State of California or any state or the federal government or any other government; and all other intellectual property used by debtor in connection with labeling, marketing, merchandising and sale of wine, grapes and grapejuice or related products, including but not limited to the following:

<u>Trademark</u>	<u>Serial</u> <u>Number</u>	<u>Date of</u> <u>Filing</u>	<u>Registration</u> <u>Number</u>	<u>Date</u> <u>Registered</u>
Tre Grazie <3 Charms>	75-231,838	01-27-1997	2,132,464	01-27-1998
Clos Du Val	74-124,600	12-18-1990	1,694,732	06-16-1992
<Enclosure in the Valley> and design				
Joli Val <Pretty Valley>	74-124,599	12-18-1990	1,675,264	02-11-1992
Gran Val <Great Valley>	73-223,948	07-19-1979	1,172,523	10-06-1981
Gran Val <Great Valley> and design	73-105,176	11-02-1976	1,119,779	06-05-1979

Initials: 

TRADEMARK