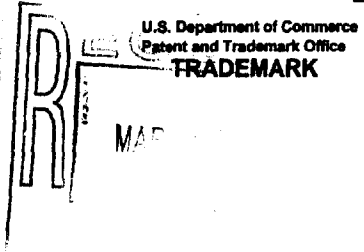


03-29-2001



101653081

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY



3-12-01

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City

State/Country

Zip Code

- Individual General Partnership Limited Partnership
- Corporation Association

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Other

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1,736,933"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Kevin P. Block
Name of Person Signing


Signature

March 8, 2001
Date Signed

INVENTORY SALES AGREEMENT

This Inventory Sales Agreement ("Agreement") is entered into as of September 1, 2000 (the "Effective Date") by and between Rudd Wines, Inc. ("Rudd"), a California corporation, and Girard Winery LLC ("Girard"), a California limited liability company, formerly known as Vineyard Estates LLC (individually a "Party" and collectively the "Parties").

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

I TRADEMARK

1.1. Assignment. Rudd hereby sells and assigns in perpetuity all of its right, title and interest in and to the "Girard" trademark, registered with the United States Patent and Trademark Office under number 1,736,933 (the "Trademark"), together with that part of the goodwill of Rudd's business connected with the use of and symbolized by the Trademark, on the terms set forth in this Agreement. A copy of the Trademark's registration certificate is attached to this Agreement as Exhibit A.

1.2. No Warranties. Rudd makes no warranties or representations whatsoever with respect to the Trademark, the associated good will, or Rudd's right, title or interest in or to the Trademark or the good will. Girard accepts the sale and assignment of the Trademark and goodwill "as is."

1.3. Recording. Girard shall be solely responsible for recording the assignment of the Trademark with the United States Patent and Trademark Office and such other agencies as Girard deems necessary. Rudd shall cooperate with Girard in recording the assignment.

II INVENTORY

2.1. Inventory. Rudd hereby sells, and Girard hereby buys, the property described in Exhibit B to this Agreement (the "Inventory") on the terms set forth in this Agreement. Girard has inspected the Inventory and deems it to be in good condition. Quantities may vary within a range of 5% (five percent) from those set forth in Exhibit B without constituting a breach of this Agreement. In addition to purchasing the Inventory, Girard shall reimburse Rudd for Inventory-related expenses as set forth in Exhibit B.

2.2. Delivery of Inventory. The Inventory, regardless of where it is presently stored, shall be deemed delivered to Girard on the Effective Date of this Agreement.

Girard shall be deemed to have accepted delivery on the Effective Date, and shall take physical possession of the Inventory at locations and on dates to be agreed upon by the Parties. Title to and risk of loss of the Inventory shall pass from Rudd to Girard on the Effective Date of this Agreement. Rudd reserves a security interest in the Inventory until Girard performs its obligations under this Agreement in full.

2.3. Warranty and Disclaimer. Rudd warrants that the Inventory is as described in this Agreement, but no other express warranty is made with respect to the Inventory. THE INVENTORY SOLD UNDER THIS AGREEMENT IS PURCHASED BY GIRARD "AS IS" AND RUDD DOES NOT WARRANT THAT THE INVENTORY, OR ANY PART OF IT, IS OF MERCHANTABLE QUALITY OR CAN BE USED FOR ANY PARTICULAR PURPOSE.

III 2000 VINTAGE WINE

3.1. Negotiations. The Parties shall negotiate in good faith, based upon the terms set forth in this Agreement, concerning the sale by Rudd, and the purchase by Girard, of bulk wine produced by Rudd from the 2000 vintage ("2000 Vintage Wine"). Such sales and purchases, if any, shall be consummated via purchase order or by such other means as the Parties deem appropriate.

3.2. Price. All sales and purchases of 2000 Vintage Wine shall be at the higher of Rudd's unburdened cost or market price. Market price shall be the highest price at which Rudd has sold like wine in the preceding six months.

3.3. Delivery. 2000 Vintage Wine shall be stored at such locations as Rudd deems appropriate. Rudd shall tender delivery of 2000 Vintage Wine by placing it at Girard's disposal at the place where it is stored and so notifying Girard. Girard shall accept delivery of such wine and remove it from such place by a date to be agreed upon by the Parties. If Girard fails to do so, Rudd may, in its sole discretion, terminate its obligations to Girard with respect to 2000 Vintage Wine and dispose of it in a manner deemed appropriate by Rudd.

IV PAYMENT

4.1. Purchase Price. The purchase price for the Trademark and the Inventory, and the amount to be reimbursed for Inventory-related expenses (collectively, "Purchase Price"), are set forth in Exhibit B to this Agreement. In the event of a variation from the quantities set forth in Exhibit B, as permitted by paragraph 2.1 of this Agreement, the Purchase Price shall be adjusted accordingly. The Parties shall report this transaction for tax purposes in accordance with the allocation set forth in Exhibit B.

4.2. **Payment Terms.** The outstanding balance of the Purchase Price shall bear interest at a fixed rate of 9% (nine percent) per year, commencing on the Effective Date of this Agreement, payable every 90 (ninety) days. Girard shall pay the amount due for the trademark, capsules, labels and Inventory-related expenses within 210 (two hundred ten) days of the Effective Date of this Agreement. Within 60 (sixty) days after Girard sells any portion of Inventory consisting of bulk or bottled wine, Girard shall pay down a corresponding amount of principal, until the principal is paid in full. Payments shall be applied first to accrued but unpaid interest and the balance to principal, and interest shall cease to accrue on the amount of principal so paid.

4.3. **Promissory Note.** Simultaneously with the execution of this Agreement, Girard shall deliver to Rudd an executed promissory note, attached as Exhibit C to this Agreement and dated as of the Effective Date, in the original principal amount of the total Purchase Price set forth in Exhibit B to this Agreement. Variations in the Purchase Price, as permitted by paragraphs 2.1 and 4.1 of this Agreement, shall be accounted for by a corresponding adjustment in the final payment due under the promissory note.

V MISCELLANEOUS PROVISIONS

5.1. **Severability.** If a court or arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid, in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, shall not be affected.

5.2. **Integration.** This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the matters covered herein, and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

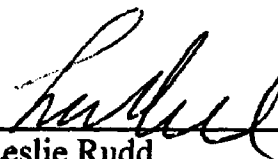
5.3. **Amendment.** This Agreement may be supplemented, amended, or modified only by mutual agreement of the Parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by both Parties.

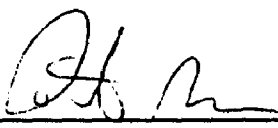
5.4. **Dispute Resolution.** The Parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement that are not resolved by their mutual agreement shall be submitted to final and binding arbitration before JAMS, or its successor, pursuant to the United States Arbitration Act. The prevailing party in any arbitration proceeding, or in any action to enforce this arbitration clause, shall be awarded costs and reasonable attorneys' fees in addition to any other relief.

5.5. **Exhibits.** Exhibits A, B, and C constitute an integral part of this Agreement and are incorporated herein by reference.

RUDD WINES, INC.
A California Corporation

GIRARD WINERY LLC
A California Limited Liability Company

By: 
Leslie Rudd
President

By: 
Patrick Roney
Member-Manager

February 22, 2001

February 22, 2001

EXHIBIT B
to the Agreement between
Rudd Wines, Inc. and Girard Winery LLC
effective September 1, 2000

TRADEMARK AND INVENTORY

<u>Property</u>	<u>Qty.</u>	<u>Price/Unit</u>	<u>Total Price</u>
Trademark	1		
Bottled Wines			
96 Cabernet Sauvignon	309 cases		
97 Red	2,424 cases		
97 Chardonnay	394 cases		
Bulk Wines			
98 Red	7,045 gals.		
99 Chardonnay	2,649 gals		
99 Red	5,665 gals		
99 Rutherford Red	4,754 gals		
Capsules			
Red Girard Capsules	105,377		
Green Girard Capsules	77,600		
Labels	*		
Related Expenses			
Administrative Support			
Sales-Related Services			
Taxes			
Storage and Related Charges			
Miscellaneous			
TOTAL PURCHASE PRICE			