



01-04-2002

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DEPARTMENT OF COMMERCE
Patent and Trademark Office

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)

RECORDATIO
TRADE

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Sebastiani Vineyards, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other 01-7.2
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: 12/31/01

2. Name and address of receiving party(ies)

Name: General Electric Capital Corp.

Internal

Address:

Street Address: 6701 Center Drive West

City: Los Angeles State: CA Zip: 90045

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- 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

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

A. Trademark Application No.(s) 78059935

B. Trademark Registration No.(s) 1249224;
1859925; 2126423; 2360427; 1861951

Additional number(s) attached Yes No

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

Name: Murphy Sheneman Julian & Rogers

Internal Address:

Attention: Elaine Howard, Legal Assistant

Street Address: 101 California Street

39th Floor

City: San Francisco State: CA Zip: 94111

6. Total number of applications and registrations involved:

13

7. Total fee (37 CFR 3.41).....\$ 340⁰⁰

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

20-0052

DO NOT USE THIS SPACE

9. Signature.

D. Elaine Howard

Name of Person Signing

Christine V. Wilson
Elaine Howard

Signature

01/02/02

Date

10

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

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

01/14/2002 AHMED1 00000152 200052 78059935

01 FC:481 40.00 CH

300.00 CH

TRADEMARK
REEL: 002420 FRAME: 0569

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional 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

Enter Additional 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

Other

Citizenship/State of Incorporation/Organization

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 the Assignment.)

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

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

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of December 31, 2001, is made by **SEBASTIANI VINEYARDS, INC.**, a Delaware corporation ("Grantor"), in favor of **GENERAL ELECTRIC CAPITAL CORPORATION**, a Delaware corporation ("Lender").

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof by and between Grantor and Lender (as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), Lender has agreed to make the Loans and to incur Letter of Credit Obligations for the benefit of Grantor; and

WHEREAS, Lender is willing to make the Loans and to incur the Letter of Credit Obligations as provided for in the Loan Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Lender this Intellectual Property Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule A to the Loan Agreement.

2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the complete and timely payment of all the Obligations of Grantor now or hereafter existing from time to time, Grantor hereby pledges and grants to Lender a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Intellectual Property Collateral"):

(a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

(d) all reissues, continuations or extensions of the foregoing;

(e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(f) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

3. REPRESENTATIONS AND WARRANTIES. Grantor represents and warrants that Grantor does not have any interest in, or title to, any Patent, Trademark or Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto. This Intellectual Property Security Agreement is effective to create a valid and continuing Lien on and, upon the filing hereof with the United States Patent and Trademark Office and the United States Copyright Office, perfected security interests in favor of Lender in all of Grantor's Patents, Trademarks and Copyrights and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantor. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the United States Copyright Office and the filing of appropriate financing statements listed on Disclosure Schedule (6.1) to the Loan Agreement, all action necessary or desirable to protect and perfect Lender's Lien on Grantor's Patents, Trademarks and Copyrights shall have been duly taken.

4. COVENANTS. Grantor covenants and agrees with Lender that from and after the date of this Intellectual Property Security Agreement and until the Termination Date:

(a) Grantor shall notify Lender immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) In no event shall Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving Lender prior written notice thereof, and, upon request of Lender, Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Lender) to evidence Lender's Lien on such Patent, Trademark or Copyright, and the General Intangibles of Grantor relating thereto or represented thereby.

(c) Grantor shall take all actions necessary or requested by Lender to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or Trademarks (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party, Grantor shall notify Lender promptly after Grantor learns thereof. Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Lender shall deem appropriate under the circumstances to protect such Intellectual Property Collateral.

5. SECURITY AGREEMENT. The security interests granted pursuant to this Intellectual Property Security Agreement are granted in conjunction with the security interests granted to Lender pursuant to the Loan Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.


6. REINSTATEMENT. This Intellectual Property Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Intellectual Property Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Loan Agreement.

8. TERMINATION OF THIS SECURITY AGREEMENT. Subject to Section 6 hereof, this Intellectual Property Security Agreement shall terminate upon the Termination Date.

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SEBASTIANI VINEYARDS, INC.

By: 
Mary Ann Sebastiani Cuneo
President and Chief Executive Officer

ACCEPTED and ACKNOWLEDGED by:

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____
David R. Klages
Duly Authorized Signatory


IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SEBASTIANI VINEYARDS, INC.

By: _____
Mary Ann Sebastiani Cuneo
President and Chief Executive Officer

ACCEPTED and ACKNOWLEDGED by:

GENERAL ELECTRIC CAPITAL CORPORATION

By:  _____
David R. Klages
Duly Authorized Signatory

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

NO PATENT REGISTRATIONS, PATENT APPLICATIONS OR PATENT LICENSES
AS OF THE CLOSING DATE

SCHEDULE II
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. (A)(1) ACTIVE FEDERAL TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>
August Sebastiani	R1249224	08/23/83
August Sebastiani	R1252402	09/27/83
Cherryblock	R1859925	10/25/94
Design Only (wine bottle)	R2126423	12/30/97
Eye of the Swan	R2360427	06/20/00
Red Hill Vineyard	R1861951	11/08/94
Richard Cuneo	R1640728	04/09/91
S Established 1904	R2142780	03/10/98
S Sonoma Cask Wines	R1977952	06/04/96
Sebastiani Sonoma Cask	R1963076	03/19/96
Sebastiani	R1111451	01/16/79
Tailfeathers	R1190190	02/16/82

(A)(2) FEDERAL TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application No.</u>	<u>Date</u>
Sebastiani	78/059935	04/23/01

(A)(3) INACTIVE FEDERAL TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>	<u>Status</u>
Sebastiani	R1111046	01/09/79	Expired
Sebastiani	R1127945	12/18/79	Cancelled
Sebastiani	R1117414	05/01/79	Expired
Sebastiani	R1113295	02/13/79	Expired
Light Country White	R1244742	07/05/83	Abandoned
Eye of the Swan	R1261099	12/13/83	Cancelled
3 Star Champagne (design)	R1273034	04/03/84	Cancelled
Red Thunder	R1326247	03/19/85	Cancelled
Eagle Ridge Ranch	R1326271	03/19/85	Cancelled
California Champonnay	R1364815	10/08/85	Cancelled
Il Fratello	R1586026	03/06/90	Cancelled
La Sorella	R1586027	03/06/90	Cancelled
Country White Wine	73/323108	08/10/81	Abandoned
Country Red Wine	73/323109	08/10/81	Abandoned
Wine Country Rodeo	73/325018	08/24/81	Abandoned
Wine Country Rodeo (design)	73/325019	08/24/81	Abandoned
Heritage	73/520570	02/04/85	Abandoned
Family	73/520571	02/04/85	Abandoned
Village	73/520699	02/04/85	Abandoned
Domaine Chardonnay	74/045348	03/30/90	Abandoned
Swan Cellars	74/063771	05/29/90	Abandoned

(B) STATE TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>	<u>State</u>
Cherryblock	R97940	08/16/93	CA
Oak Creek	R97946	08/16/93	CA
Red Hill Vineyard	R98615	01/19/94	CA
Sebastiani Vineyards	R7511191	11/25/65	RI

(C) FOREIGN TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>	<u>Country</u>
August Sebastiani	1092247/2	09/12/84	Argentina
Sebastiani	1092248	09/12/84	Argentina
August Sebastiani	1569084	07/13/95	Argentina
Sebastiani	1553314	02/28/95	Argentina
August Sebastiani	81/7108	10/13/97	Barbados
Sebastiani	81/7539	07/13/98	Barbados
August Sebastiani	383891	01/04/93	Benelux
Sebastiani	555114		Benelux
August Sebastiani	811268616	11/13/94	Brazil
Sebastiani	811268608	11/13/94	Brazil
3 Star Champagne	291927	06/15/84	Canada
Eye of the Swan	287147	01/20/84	Canada
August Sebastiani	332164	09/18/87	Canada
Eye of the Swan Cellars	400557	07/24/92	Canada
Sebastiani	330014	07/17/87	Canada
Sebastiani	314056	05/09/86	Canada
Sebastiani	314307	05/16/86	Canada
Sebastiani	VR200004478	09/27/00	Denmark
Sebastiani Vineyards	7.280.1994	10/28/94	Denmark
August Sebastiani	47463	09/15/89	Dominican Republic
Sebastiani	47464	09/15/89	Dominican Republic
August Sebastiani	4613/93	02/25/97	El Salvador
Sebastiani	4614/93	02/25/97	El Salvador
Sebastiani (S design)	520296	04/22/97	European Community
Sebastiani	503631	04/07/97	European Community
August Sebastiani	93494489	11/30/93	France
Sebastiani	1237365	05/28/93	France
Sebastiani	1237364	05/28/93	France
Sebastiani (label)	1237373	05/28/93	France
Sebastiani (w/ mission house)	1047928	07/28/82	Germany
August Sebastiani	1045132	07/20/92	Germany
Sebastiani	1050852	05/25/92	Germany
Sebastiani	01273/98	04/07/97	Hong Kong
August Sebastiani	589084	03/03/90	Italy
Sebastiani	589083	03/03/90	Italy
Sebastiani (w/mission house)	1794114	07/19/85	Japan
August Sebastiani	1741718	01/23/85	Japan
Sebastiani	1755455	03/25/85	Japan
August Sebastiani	132798	10/27/92	Korea
Sebastiani	131611	10/02/86	Korea
Sebastiani	364415	11/29/88	Mexico

(C) FOREIGN TRADEMARK REGISTRATIONS (continued)

<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>	<u>Country</u>
August Sebastiani	364416	11/29/93	Mexico
Sebastiani	576820	03/19/98	Mexico
August Sebastiani	45878	07/26/89	Philippines
Sebastiani	45948	08/07/89	Philippines
Sebastiani	T97/05231E	05/06/97	Singapore
August Sebastiani	243975	12/11/92	Sweden
August Sebastiani	423864	07/18/94	Switzerland
Sebastiani	423863	07/18/94	Switzerland
August Sebastiani	234521	03/83	Taiwan
Sebastiani	231421	02/83	Taiwan
Richard Cuneo	1424097	05/20/97	United Kingdom
August Sebastiani	1505407	06/22/99	United Kingdom
Oakbrook	1424113	05/02/97	United Kingdom

III. TRADEMARK LICENSES

<u>Name of Agreement</u>	<u>Date of Agreement</u>	<u>Parties</u>
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NONE AS OF THE CLOSING DATE

SCHEDULE III
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

NO COPYRIGHT APPLICATIONS, COPYRIGHT REGISTRATIONS, OR
COPYRIGHT LICENSES AS OF THE CLOSING DATE