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

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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): 2-11-02

Ferrari-Carano Vineyards and Winery, LLC

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State
☒ Other Limited Liability Company

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

2. Name and address of receiving party(ies)

Name: The Prudential Insurance Company of America
Internal Address:
Street Address: 2998 Douglas Boulevard, Suite 260
City: Roseville State: CA Zip: 95661

☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation-State New Jersey
☐ Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No N/A
(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 1, 2002

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
1,634,300

FEB 11

Additional number(s) attached ☐ Yes ☒ No

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

Name: Jeffrey A. Russell, Esq.
Internal Address:

Street Address: Bolen, Fransen & Russell LLP
1322 E. Shaw Ave., Suite 430
City: Fresno State: CA Zip: 93710

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....$ 40.00

☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

N/A

(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.

Jeffrey A. Russell
Name of Person Signing

Jeffrey A. Russell
Signature

Feb. 1, 2002
Date

Total number of pages including cover sheet, attachments, and document: 7

02/26/2002 DBYRNE 00000040 1634300
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Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

COLLATERAL ASSIGNMENT OF TRADEMARK

THIS COLLATERAL ASSIGNMENT OF TRADEMARK (the "Assignment") is made as of January 1, 2002, by FERRARI-CARANO VINEYARDS AND WINERY, LLC, a California limited liability company, successor by conversion to Ferrari-Carano Vineyards and Winery ("Assignor"), for the benefit of THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation ("Lender"), to induce Lender to make a loan to Assignor, Donald L. Carano, and Rhonda Carano (collectively, "Borrowers"), as described in that certain Rate Lock Letter dated December 5, 2001, and evidenced by a Promissory Note (the "2002 Note") dated as of even date herewith, executed by Borrowers in favor of Lender in the principal amount of $18,500,000.00, the payment and performance of which is secured by a Restated and Amended Deed of Trust, Security Agreement, Crop Filing and Fixture Filing with Assignment of Rents and Proceeds, Leases and Agreements dated as of even date herewith, executed by Borrowers for the benefit of Lender (the "Deed of Trust"). The Deed of Trust also secures that certain Promissory Note dated January 20, 1997 made by Borrowers payable to Lender in the original principal amount of $11,000,000.00, as amended by that First Amendment to Promissory Note dated September 2, 1997, and that Second Amendment to Promissory Note of even date herewith (the "1997 Note"). The 2002 Note and the 1997 Note are referred to herein collectively as the "Notes" and singularly as a "Note."

1. Assignment. Assignor assigns, grants and transfers to Lender all right, title and interest of Assignor in, to and under that certain United States Trademark registered on February 5, 1991 as Registration No. 1,634,300, covering the mark "Ferrari-Carano," including without limitation all rights to use the mark, and together with all additions to, and substitutions, renewals, replacements, products and proceeds of the foregoing (the "Trademark").

2. Collateral Nature of Assignment. For so long as there is no Event of Default under this Assignment, as defined in Paragraph 6, Assignor shall have the right to assert and use the Trademark and secure all other rights and benefits provided by virtue of Assignor's ownership of the Trademark, subject to all of Assignor's covenants set forth in this Assignment.

3. Obligations Secured. The obligations secured by this Assignment (the "Secured Obligations") are the following, which may be discharged by Lender in any order at its discretion:

(a) payment of all amounts of principal and interest or other amounts coming due under the Notes and/or the Deed of Trust, in accordance with the terms and provisions thereof, as well as any renewals, modifications, replacements or extensions thereof;

(b) payment of additional sums, and interest thereon, which may hereafter be loaned to Borrowers by Lender or Lender's successors or assigns, when evidenced by a promissory note or notes reciting that the same are secured by the Deed of Trust; and

(c) performance and discharge by Borrowers of each and every obligation, covenant, promise, and agreement set forth in the Notes, this Assignment, the Deed of Trust, and contained in each and all instruments of security executed by Borrowers at any time for the purpose of securing or further securing any indebtedness secured by the Deed of Trust, or any part thereof, and any further advances or further or additional loans of any sums hereafter made by Lender to Borrowers during the continuance of this Assignment and secured by the Deed of Trust, or for the purpose of supplementing or amending this Assignment or any instrument or obligation secured by the Deed of Trust.

4. Assignor's Representations and Warranties. Assignor represents and warrants that:

(a) Assignor has sole title to the Trademark and the mark covered thereby and the full right and power to assign the same;

(b) no other person has any right, title, or interest in, under or to the Trademark or the mark covered thereby;

(c) to the best of Assignor's knowledge, there is no pending or threatened infringement of the Trademark;

(d) Assignor has not previously sold, assigned, licensed, transferred, hypothecated or pledged any of its interest in the Trademark, the mark covered thereby, or rights thereunder;

(e) no consent, license, approval, or authorization is required to be obtained by Assignor in connection with the execution, delivery, performance, validity, or enforceability of this Assignment; and

(f) this Assignment creates in favor of Lender a lien on, and upon recordation in the United States Patent and Trademark Office a perfected security interest in, Assignor's interests in the Trademark, enforceable against Assignor and all third parties, and is senior and superior in right to any claim, existing or future, which Assignor or any third party may have with respect thereto.

5. Assignor's Covenants. Assignor covenants and agrees, at the sole cost and expense of Assignor, as follows:

(a) to enforce all rights afforded by the Trademark, and to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Trademark or the infringement thereof, and, on request by Lender, to do so in the name and on behalf of Lender but at the expense of Assignor;

(b) to pay all costs and expenses of Lender, including attorneys' fees in a reasonable sum, in any action or proceeding in which Lender may appear;

(c) not to pledge, transfer, mortgage, license, or otherwise encumber, hypothecate, or assign the Trademark or any rights thereto or interest therein during the term of this Assignment;

(d) to maintain the Trademark in full force and effect and to timely renew the Trademark for the maximum periods permitted by law;

(e) not to abandon the Trademark or take any other actions which materially diminishes the value or benefit of the Trademark to Assignor; and

(f) not to waive, excuse, condone, discount, setoff, compromise, or in any manner release or discharge any party infringing on the rights afforded by the Trademark.

6. Events of Default. The occurrence of any of the following shall constitute an "Event of Default" hereunder:

(a) any representation or warranty of Assignor contained in this Assignment shall be found to be false or misleading when made; or

(b) Assignor shall fail to observe or perform any obligation, term, covenant, condition, representation, or warranty contained in this Assignment; or

(c) the abandonment of the Trademark, without the prior written consent of Lender; or

(d) the occurrence of a default in any of the Secured Obligations or an event of default under the Notes, the Deed of Trust or this Assignment.

7. Remedies. Upon the occurrence of any Event of Default hereunder, this Assignment shall constitute a direction and grant full authority to all persons and entities to recognize Lender as the assignee of the Trademark, and Assignor hereby irrevocably authorizes all persons and entities to rely upon and comply with any notice or demand by Lender to be so recognized as the assignee of the Trademark. In addition, in an Event of Default, Assignor hereby grants to Lender the following rights:

(a) Lender shall have the right, but not the obligation, upon any failure of Assignor to perform any of its agreements hereunder, to take any action as Lender may deem necessary or appropriate to protect its security, including without limitation, appearing in any action or proceeding relating to the Trademark or the mark, and Assignor agrees to pay, on demand, all costs and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by Lender in connection therewith, together with interest thereon at the rate set forth in the Deed of Trust.

(b) Lender shall have all rights and benefits accruing to Assignor by the terms of the Trademark, including the right to use the mark covered thereby, and the authority as Assignor's attorney-in-fact, such authority being coupled with an interest and

irrevocable, to sign the name of Assignor and to bind Assignor on all papers and documents relating to the Trademark.

All of the foregoing rights and remedies of Lender are cumulative, and Lender shall also have upon the occurrence of any Event of Default, all other rights and remedies provided under the Notes, the Deed of Trust or any of the other loan documents executed in connection therewith, or otherwise available at law or in equity.

8. Indemnity. Assignor agrees to indemnify and hold Lender harmless of and from any and all liability, loss, damage, or expense that Lender may or might incur under or by reason of this Assignment, or for any action taken by Lender under this Assignment, or by reason or in defense of any and all claims and demands whatsoever that may be asserted against Lender arising out of or related to the Trademark, including without limitation, any claim advanced or alleged in an infringement or invalidity proceeding relating to the Trademark, and any claims or demands that may be asserted against Lender by reason of any action or undertaking on its part to protect against infringement of the rights afforded by the Trademark; provided, however, Assignor shall be under no obligation to indemnify and hold Lender harmless of and from any liability, loss, damage or expense arising from the intentional conduct or gross negligence of Lender. Should Lender incur any such liability, loss, damage, or expense, or any expense in the defense of any such claims or demands, the amount of such liability, loss, damage, or expense (including reasonable attorneys' fees) with interest thereon at the rate of eighteen percent (18%) per annum shall be payable by Assignor immediately and without demand, and the payment shall be secured by the Deed of Trust.

9. Termination of Assignment on Assignor's Discharge of Obligations. On payment in full of all the indebtedness evidenced by the Notes and secured by the Deed of Trust, this Assignment, except for the provisions of Paragraph 8, which shall continue in effect, shall become and be void and of no further force or effect; but the affidavit, certificate, or statement of any officer or authorized representative of Lender showing any part of the indebtedness to remain unpaid, or the performance or discharge to be incomplete, shall be and constitute conclusive evidence of the validity, effectiveness, and continuing force of this Assignment. Any person may and is authorized to rely on any such affidavit, certificate, or statement.

10. Notice. Any notice, request, demand, instruction, or other communication to be given to any party under this Assignment shall be in writing and sent by registered or certified mail as follows:

To Assignor: Ferrari-Carano Vineyards and Winery, LLC
8761 Dry Creek Road
Healdsburg, CA 95448

To Lender: The Prudential Insurance Company of America
Four Embarcadero Center, Suite 2700
San Francisco, CA 94111
Attn: Regional Counsel

Notice shall be deemed to have been given forty-eight (48) hours after deposit of the same in a United States mail post office box in the state to which the notice is addressed, or seventy-two (72) hours after deposit in any such post office box other than in the same state to which the notice is addressed, postage prepaid, addressed as set forth above. The addresses and addressees for the purpose of this paragraph may be changed by giving written notice of such change in the manner provided herein for giving notice. However, unless and until such written notice is actually received, the last address and addressee as stated by written notice, or as provided in this Assignment, if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes under this Assignment.

11. Miscellaneous Provisions.

(a) Singular Including Plural; Masculine Including Feminine and Neuter. The terms, covenants, conditions, representations, and warranties contained in this Assignment shall inure to the benefit of and bind all parties to this Assignment and their respective heirs, executors, administrators, successors, and assigns, and all subsequent holders of the Notes and Deed of Trust. In this Assignment, whenever the context so requires, the masculine gender shall include the feminine and neuter, the singular number shall include the plural, and conversely in each instance as the case requires. All obligations of each Assignor hereunder, if more than one, shall be joint and several.

(b) Lender's Right Under Assignment Permissive and Not Obligatory. The exercise by Lender of any of the rights, remedies, powers, or privileges provided for in this Assignment, or the taking of any action by Lender, whether complete or incomplete with respect thereto, is permissive and not obligatory and the exercise or nonexercise of such rights, remedies, powers, or privileges shall not preclude, delay, or prejudice any other rights, remedies, powers, or privileges provided for in this Assignment or in the Notes or Deed of Trust, or otherwise provided at law or in equity; and the failure to take action at any time shall not constitute a waiver of any such right, remedy, power, or privilege. The right of Lender to collect any indebtedness and to enforce any other security for the indebtedness may be exercised by Lender either before, simultaneously with, or after, any action taken under this Assignment.

(c) Choice of Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

(d) Severability Clause. If any one or more of the provisions contained in this Assignment shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assignment, but this Assignment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Assignment.

(e) Time is of the Essence. Time is of the essence under this Assignment and any amendment, modification, or revision of it.

(f) Attorneys' Fees. In the event that either party hereto files an action against the other to interpret or enforce the terms of this Agreement, the prevailing party in such action shall be entitled to recover its attorneys' fees and costs as awarded by a court of competent jurisdiction, whether or not such action is prosecuted to final judgment.

(g) Integration. This Assignment contains or expressly incorporates by reference the entire and exclusive agreement of the parties with respect to the matters contemplated herein and supersedes all prior negotiations related thereto, and this Assignment shall not be amended or modified in any way except by a written instrument which is executed by all parties hereto.

(h) Counterparts. This Assignment may be executed in one or more counterparts and such counterparts taken together shall constitute one and the same document.

IN WITNESS WHEREOF, this Assignment has been duly executed by Assignor as of the date first written above.

"Assignor"

FERRARI-CARANO VINEYARDS AND WINERY, LLC, a California limited liability company, successor by conversion to Ferrari-Carano Vineyards and Winery

By _____
Donald L. Carano, Manager

STATE OF Nevada)
) ss.
COUNTY OF Washoe)

On January 28, 2002, before me, the undersigned Notary Public, personally appeared DONALD L. CARANO, 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

ROBERT B. MACKAY
Notary Public - State of Nevada
Appointment Number 93-0638-2
My Appt. Expires Sept. 15, 2005

_____
Signature of Notary Public

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