

02-11-2003

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FORM PTO-1594
(Rev 5-93)



U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

102361034

To the Honorable Commission.

Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): 1-800-WINESHOP.COM, INC.</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: DELAWARE Other:</p> <p>Additional name(s) of conveying party(ies) attached? [] Yes [X] No</p> <p>3. Nature of Conveyance: [] Assignment [] Merger [X] Security Agreement [] Change of Name [] Other</p> <p>Execution Date: January 24, 2003</p>	<p>2. Name and address of receiving party(ies): Name: VENTURE BANKING GROUP a division of Cupertino National Bank Address: Three Palo Alto Square, Suite 150 City: Palo Alto State: CA Zip: 94306</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: Other: a Federal chartered bank</p> <p>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 [X] No</p>
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<p>4. Application number(s) or trademark number(s): A. Trademark Application No.(s)</p>	<p>B. Trademark Registration No.(s) 2,603,551</p> <p>Additional numbers attached? [] Yes [X] No</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Erin O'Brien Internal Address: GRAY CARY WARE & FREIDENRICH 4365 Executive Drive, Suite 1100 San Diego, CA 92121-2133</p>	<p>6. Total number of applications and registrations involved: 1</p> <p>7. Total fee (37 CFR 3.41) \$40.00 [x] Enclosed [] Authorized to be charged to deposit account</p> <p>8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)</p>
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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.

Erin O'Brien
Name of Person Signing

Erin O'Brien
Signature

February 10, 2003
Date

Total number of pages comprising cover sheet: [6]

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

U.S. Patent and Trademark Office, Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

02/11/2003 6TOM11 00000098 2603551

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TRADEMARK
REEL: 002668 FRAME: 0061

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of January 24, 2003, by and between VENTURE BANKING GROUP, a division of CUPERTINO NATIONAL BANK ("Bank") and 1-800-WINESHOP.COM, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement).

B. Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

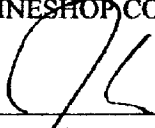
GRANTOR:

Address of Grantor:

1650 Concord Ave.
Concord, CA 94520

Attn: Chief Financial Officer

1-800-WINESHOP.COM, INC.

By: 

Title: CEO

BANK:

Address of Bank:

Three Palo Alto Square, Suite 150
Palo Alto, CA 94306

Attn: Robert Roland

VENTURE BANKING GROUP, a division of
CUPERTINO NATIONAL BANK

By: 

Title: Loan Officer

EXHIBIT A

Copyrights

Description

Registration/
Application
Number

Registration/
Application
Date

Gray Cary\PA\10278300.2
1030940-920900

EXHIBIT B

Patents

Description

Registration/
Application
Number

Registration/
Application
Date

Gray Cary\PA\10278300.2
1030940-920900

EXHIBIT C

Trademarks

Description

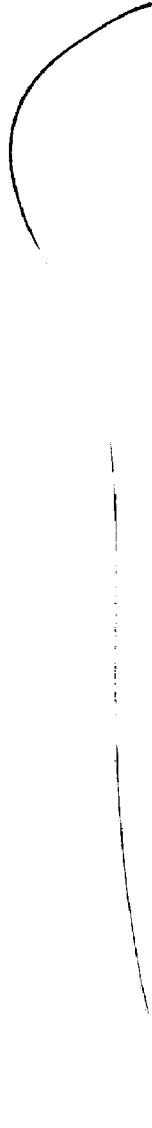
Registration/
~~Application~~
Number

Registration/
~~Application~~
Date

1-800-WINE Shop

Reg. No.
2,603,551

Aug 6-2002



Gray Cary\PA\10278300.2
1030940-920900