

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Garnet Vineyards, LLC		02/11/2011	LIMITED LIABILITY COMPANY: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Saintsbury LLC		
<b>Street Address:</b>	1500 Los Carneros		
<b>City:</b>	Napa		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	94559		
<b>Entity Type:</b>	LIMITED LIABILITY COMPANY: CALIFORNIA		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	1669670	GARNET	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(415)954-4480		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
<b>Phone:</b>	415/954-4400		
<b>Email:</b>	dmarangio@fbm.com		
<b>Correspondent Name:</b>	David E. Stoll, Farella Braun + Martel		
<b>Address Line 1:</b>	235 Montgomery Street		
<b>Address Line 2:</b>	17th Floor		
<b>Address Line 4:</b>	San Francisco, CALIFORNIA 94104		
<b>ATTORNEY DOCKET NUMBER:</b>	10562 GARNET		
<b>NAME OF SUBMITTER:</b>	David E. Stoll		
<b>Signature:</b>	/david e. stoll/		

CH \$40.00 1669670

**900185024**

**TRADEMARK  
 REEL: 004486 FRAME: 0898**

Date:

02/24/2011

**Total Attachments: 7**

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page1.tif

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page2.tif

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page3.tif

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page4.tif

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page5.tif

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page6.tif

source=Saintsbury\_ Tradmark Security Agreement (exe\_dated)#page7.tif

## TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (this "**Agreement**"), dated February 11, 2011, is made between Garnet Vineyards, LLC, a California limited liability company ("**GV**"), and Saintsbury LLC, a California limited liability company ("**Secured Party**"), pursuant to that certain Purchase and Sale Agreement, dated as of January 31, 2011 (the "**Purchase Agreement**") between Plata Wine Partners, LLC ("**PWP**") and Secured Party.

A. Pursuant to the Purchase Agreement, Secured Party has agreed to sell and PWP has agreed to purchase certain assets (the "**Sale**"), including the trademark "**GARNET**" for wine" (Reg. No. 1,669,670) (the "**Garnet Mark**"), and associated goodwill, pursuant to the terms of the Purchase Agreement.

B. PWP has assigned its right to purchase the Garnet Mark to GV, an affiliate of PWP, pursuant to that certain assignment by and between PWP and GV dated as of February 11, 2011.

C. In connection with the Sale, PWP and GV have agreed to grant Secured Party a security interest in the Garnet Mark as security for PWP's payment obligations set forth in Section 2.b. of the Purchase Agreement (the "**Obligations**").

D. Pursuant to the requirements of Section 1.b. of the Purchase Agreement, Secured Party has required that PWP or its permitted assignee execute and deliver this Agreement prior to the closing of the Sale.

E. In order to induce Secured Party to enter into the Purchase Agreement, GV is willing to enter into this Agreement to provide collateral security for the payment and performance in full of the Obligations.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, GV hereby agrees with Secured Party as follows.

1. Grant of Security Interest. GV hereby assigns and grants to Secured Party as collateral security for the payment and performance in full when due by GV of the Obligations, a continuing, security interest in and lien on all of its right, title and interest in and to (i) the Garnet Mark, all associated goodwill and the registration described in Schedule A; and (ii) any and all products and proceeds of the foregoing, including, without limitation, any and all income, royalties, damages and payments now and hereafter due or payable to GV with respect thereto, including without limitation, any rights to sue for damages and payments for past, present or future infringement or dilution of the Garnet Mark (collectively, the "**Collateral**"). If any of GV's lenders hold a security interest in any bottled wine bearing the Garnet Mark on the date that Secured Party exercises any of its remedies pursuant to Section 4 of this Agreement, such bottled wine existing on that date shall continue to be subject to such lender's security interest as of such date, but in no event shall such lender have any security interest in the Garnet Mark unless (a) such security interest is subordinate to the security interests of each of Union Bank,

N.A. (the "**Senior Lender**") and Secured Party and (b) GV has complied with the conditions set forth in Section 2 of the Consent, Non-Disturbance and Attornment Agreement between Secured Party, PWP, GV and Senior Lender (the "**CNDA**").

2. Representations and Warranties. In order to induce Secured Party to enter into the Purchase Agreement, GV hereby makes the following representations and warranties to Secured Party:

2.1 Garnet Mark. Except for a security interest granted in favor of Senior Lender and any security interest GV may grant to its own lenders as permitted by the CNDA, which shall be junior and subordinate to the security interests of each of Senior Lender and Secured Party, GV has the sole, full and clear title to the Garnet Mark in the United States for the goods and services covered by the registrations thereof and such registrations are valid and subsisting and in full force and effect.

2.2 Authority and Other Claims. GV has the right and power to make the assignment and to grant the security interest herein granted. The Collateral is not now, and at all times hereafter will not be, subject to any liens, mortgages, assignments, security interests or encumbrances of any nature whatsoever, except the security interest in favor of Senior Lender pursuant to the terms of various credit agreements between Secured Party and Senior Lender and any security interest GV may grant to its own lenders as permitted by the CNDA, which shall be junior and subordinate to the security interests of each of Senior Lender and Secured Party.

3. Covenants of GV. Until the full satisfaction of the Obligations, GV hereby covenants to Secured Party as follows:

3.1 Payment and Performance of Obligations. GV shall promptly pay to Secured Party all amounts payable on the Obligations as and when the same shall be due, and otherwise perform the Obligations when due.

3.2 Maintain Garnet Mark. GV shall take all necessary steps to maintain the validity and registration of the Garnet Mark.

3.3 Additional Actions and Filings. GV shall perform all acts and execute all documents, including, without limitation, assignments for security in form suitable for filing with the United States Patent and Trademark Office upon the prior written request of Secured Party at any time to evidence, perfect, maintain, record and enforce Secured Party's interest in the Collateral or otherwise in furtherance of the provisions of this Agreement. GV hereby authorizes Secured Party to execute and file one or more financing or continuation statements (and similar documents) or copies thereof or of this Agreement with respect to the Collateral signed only by Secured Party to the extent permitted by applicable law.

3.4 Additional Costs. GV promptly shall pay to Secured Party any and all reasonable sums, costs and expenses which Secured Party may pay or incur in enforcing the Obligations, the Collateral or the security interest granted hereunder, including but not limited to all filing or recording fees, court costs, collection charges, travel and reasonable attorneys'

fees, all of which together with interest thereon (at a rate equal to the lesser of 1.5% per month or the maximum rate permitted under applicable law) shall be part of the Obligations and be payable on demand.

3.5 Transfer. GV shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license in or otherwise dispose of any of the Collateral (except for licenses thereof granted in the ordinary course of business), and nothing in this Agreement shall be deemed a consent by Secured Party to any such action except as expressly permitted herein or in the Purchase Agreement; except that GV may license the Garnet Mark to its affiliates or others for the sole purpose of making and selling wine bearing the Garnet Mark on GV's behalf, provided that the terms of such license specify that the license shall terminate upon the exercise by Secured Party of any remedies set forth in Section 4 of this Agreement, and provided that, GV shall remain liable for all obligations hereunder.

3.6 Indemnification. GV assumes all responsibilities and liability arising from the use of the Garnet Mark, and GV hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by GV or any affiliate or subsidiary thereof in connection with the Garnet Mark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by GV (or any affiliate or subsidiary thereof). The Secured Party expressly does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any agreement or contract related to the Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract by GV, and GV shall indemnify and hold Secured Party harmless with respect to any and all claims by any person relating thereto.

3.7 Advance Costs. The Secured Party may, in its reasonable discretion, pay any amount or do any act required of GV hereunder to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the right, title and interest granted Secured Party herein, and which GV fails to do or pay, and any such payment shall be deemed an advance by Secured Party to GV and shall be payable on demand together with interest thereon at a rate equal to the lesser of 1.0% per month or the maximum rate permitted under applicable law.

4. Events of Default and Remedies. Upon the occurrence and during the continuance of an Event of Default (as defined below), in addition to all other rights and remedies of Secured Party, whether under law or in equity (including without limitation under the Uniform Commercial Code), set forth elsewhere in this Agreement, in the Purchase Agreement, or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently, without (except as provided herein) notice to or consent by GV, Secured Party shall have the following rights and remedies:

4.1 If Secured Party shall have assigned, sold or otherwise disposed of the Garnet Mark then upon receipt of notice of such assignment, sale or other disposition, GV shall not make any further use of the Garnet Mark for any purpose; except that as of the date

of the occurrence of an Event of Default, any wine sold by GV or its affiliates to wholesalers or distributors prior to such date, may continue to be sold for sixty (60) days.

4.2 The Secured Party may, at any time and from time to time, upon ten (10) days' prior written notice to GV, use, license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, the Garnet Mark throughout the world for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion determine.

4.3 The Secured Party (without assuming any obligations or liability thereunder), at any time, may enforce against any licensee or sublicensee all rights and remedies of GV in, to and under any one or more license agreements with respect to the Collateral, and take or refrain from taking any action under any thereof.

4.4 The Secured Party may, at any time and from time to time, upon ten (10) days' prior written notice to GV, assign, sell or otherwise dispose of the Collateral or any of it, either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which Secured Party shall, in its sole discretion, deem appropriate or proper.

4.5 In addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral pursuant to Section 4.4 hereof, Secured Party may, at any time, pursuant to the authority granted in the Powers of Attorney described in Section 5 hereof (such authority becoming effective on the occurrence or continuation as hereinabove provided of an Event of Default), execute and deliver on behalf of GV one or more instruments of assignment of the Garnet Mark, in form suitable for filing, recording or registration in any country. GV shall pay when due all reasonable costs and expenses incurred in any such transfer of the Garnet Mark, including any taxes, fees and reasonable attorneys' fees, and all such costs shall be added to the Obligations. The Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition to such reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and all legal and other expenses which may be incurred by Secured Party; and GV shall remain liable and shall pay Secured Party on demand any deficiency remaining, together with interest thereon at the rate of interest set forth in the Purchase Agreement. Nothing herein contained shall be construed as requiring Secured Party to take any such action at any time.

**"Event of Default"** shall mean any failure by GV to make the payments as required under Section 2.b. of the Purchase Agreement and such failure is not cured within thirty (30) days of receipt of written notice of such failure.

5. Powers of Attorney. GV hereby grants to Secured Party a power of attorney for the implementation of the assignment, sale or other disposal of the Garnet Mark, pursuant to Sections 4.4 and 4.5 hereof, and GV hereby releases Secured Party from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to

be taken by Secured Party under the power of attorney granted herein, other than actions taken or omitted to be taken solely through the gross negligence or willful misconduct of Secured Party.


6. Termination of Security Interests. When all outstanding Obligations secured hereby shall have been indefeasibly paid in full or fully satisfied, this Agreement and the liens created hereby shall terminate.

7. Miscellaneous. This Agreement and the Purchase Agreement constitute the entire agreement between the parties relating to the subject matter hereof and supersede any prior discussions, negotiations, and agreements, whether oral or written relating to the subject matter hereof. No provision hereof shall be modified without the written agreement of both parties. This Agreement shall be binding upon the successors, assigns or other legal representatives of GV, and shall, together with the rights and remedies of Secured Party hereunder, inure to the benefit of Secured Party, its successors, assigns or other legal representatives. This Agreement, the Obligations and the Collateral shall be governed in all respects by the laws of the United States and the laws of the State of California, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby. All notices under this Agreement shall be provided in accordance with Section 12 of the Purchase Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. GV agrees to comply with and perform the obligations of Plata under the Purchase Agreement related to the Garnet Mark and this Trademark Security Agreement.

IN WITNESS WHEREOF, the parties have caused this Trademark Security Agreement to be duly executed and delivered as of the day and year first above written.

SECURED PARTY:

SAINTSBURY LLC,  
a California limited liability company

By: 

Its: Manager

GV:

GARNET VINEYARDS, LLC,  
a California limited liability company

By: \_\_\_\_\_

Its: Manager

be taken by Secured Party under the power of attorney granted herein, other than actions taken or omitted to be taken solely through the gross negligence or willful misconduct of Secured Party.

6. Termination of Security Interests. When all outstanding Obligations secured hereby shall have been indefeasibly paid in full or fully satisfied, this Agreement and the liens created hereby shall terminate.

7. Miscellaneous. This Agreement and the Purchase Agreement constitute the entire agreement between the parties relating to the subject matter hereof and supersede any prior discussions, negotiations, and agreements, whether oral or written relating to the subject matter hereof. No provision hereof shall be modified without the written agreement of both parties. This Agreement shall be binding upon the successors, assigns or other legal representatives of GV, and shall, together with the rights and remedies of Secured Party hereunder, inure to the benefit of Secured Party, its successors, assigns or other legal representatives. This Agreement, the Obligations and the Collateral shall be governed in all respects by the laws of the United States and the laws of the State of California, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby. All notices under this Agreement shall be provided in accordance with Section 12 of the Purchase Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. GV agrees to comply with and perform the obligations of Plata under the Purchase Agreement related to the Garnet Mark and this Trademark Security Agreement.

IN WITNESS WHEREOF, the parties have caused this Trademark Security Agreement to be duly executed and delivered as of the day and year first above written.

SECURED PARTY:

SAINTSBURY LLC,  
a California limited liability company

By: \_\_\_\_\_

Its: Manager

GV:

GARNET VINEYARDS, LLC,  
a California limited liability company

By: 

Its: Manager



**SCHEDULE A TO SECURITY AGREEMENT  
TRADEMARKS**

<u>Trademark</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
GARNET	December 24, 1991	1,669,670