

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM424994

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Winery Exchange, Inc.		04/04/2017	Corporation: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Fior di Sole, LLC		
Street Address:	2515 Napa Valley Corporate Drive		
City:	Napa		
State/Country:	CALIFORNIA		
Postal Code:	94558		
Entity Type:	Limited Liability Company: CALIFORNIA		
Name:	Alcohol by Volume, Inc.		
Street Address:	401 Ryland Street Suite 301		
City:	Reno		
State/Country:	NEVADA		
Postal Code:	89502		
Entity Type:	Corporation: NEVADA		
Name:	Cult of 8		
Street Address:	8940 Carmel Valley Road		
City:	Carmel		
State/Country:	CALIFORNIA		
Postal Code:	93923		
Entity Type:	Corporation: CALIFORNIA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	4850567	BREAD & BUTTER	
CORRESPONDENCE DATA			
Fax Number:			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	(707) 526 4200		
Email:	jdawson@cmprlaw.com		

OP \$40.00 4850567

Correspondent Name: John B. Dawson
Address Line 1: 100 B Street, Suite 400
Address Line 4: Santa Rosa, CALIFORNIA 95401

NAME OF SUBMITTER: John B. Dawson

SIGNATURE: /John B. Dawson/

DATE SIGNED: 04/25/2017

Total Attachments: 22

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as it may be amended, modified or supplemented from time to time, this “**Agreement**”) is entered into as of April 4, 2017, by and between Winery Exchange, Inc., a California corporation (“**Grantor**”), and Fior di Sole, LLC, a California limited liability company, Alcohol by Volume, Inc., a Nevada corporation, and Cult of 8, a California corporation (collectively, the “**Secured Parties**”).

RECITALS

A. Pursuant to that certain Asset Purchase Agreement dated April 3, 2017, by and between Grantor and the Secured Parties (as it may be amended, modified or supplemented from time to time, the “**Asset Purchase Agreement**”), the Secured Parties have agreed to sell certain assets to Grantor upon the terms and subject to the conditions set forth therein.

B. The Secured Parties’ agreement to sell certain assets to Grantor under the Asset Purchase Agreement is subject, among other conditions, to receipt by the Secured Parties of this Agreement, duly executed by Grantor.

AGREEMENT

1. **THE SECURITY.** Grantor hereby assigns and grants to the Secured Parties a security interest in all of Grantor’s right, title and interest in and to the following property whether now owned or hereafter acquired by Grantor (collectively, the “**Intellectual Property Collateral**”):

(a) all (i) Intellectual Property Assets and Personal Information (as such terms are defined in the Asset Purchase Agreement) set forth in **Exhibit “A”** attached hereto and incorporated hereby, and all service marks, collective membership marks, trade names, trade styles, registrations and applications for any of the foregoing and any goodwill associated with each of the foregoing; (ii) licenses, fees or royalties with respect to the items in subparagraph (a)(i) herein; (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder (collectively, the “**Intellectual Property**”);

(b) all accessions, attachments and other additions to the Intellectual Property Collateral;

(c) all substitutes or replacements for any Intellectual Property Collateral, all proceeds, products, rents and profits of any Intellectual Property Collateral, all rights under contracts or licenses covering the Intellectual Property Collateral, all distribution rights, and any causes of action relating to the Intellectual Property Collateral; and

(d) books and records pertaining to any Intellectual Property Collateral in a form maintained by Grantor in the ordinary course of business (“**Books and Records**”).

This Agreement grants only the security interest in the Intellectual Property Collateral herein described, and is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060. Grantor expressly agrees that there shall be no assignment of the Intellectual Property Collateral to the Secured Parties hereunder, unless and until the Secured Parties shall exercise its rights under Section 7 herein.

2. THE INDEBTEDNESS. The Intellectual Property Collateral secures and will secure all Indebtedness to the Secured Parties. “**Indebtedness**” means all payment obligations of Grantor to any Secured Party arising under the Asset Purchase Agreement, subject to Grantor’s and Secured Parties’ respective rights to offsets, Holdback Amounts and indemnity obligations pursuant to the Asset Purchase Agreement. The security interest granted by this Agreement shall automatically expire without any action of any party as soon as all Indebtedness has been paid by Grantor. The Secured Parties shall file any and all documents necessary to remove this security interest, including but not limited to UCC and trademark office filings, within seven (7) days (or earlier if requested in writing by Grantor) after the automatic expiration of the security interest.

3. REPRESENTATIONS. Grantor represents to the Secured Parties that:

(a) the legal name of Grantor is as appears in the first paragraph of this Agreement;

(b) Grantor is a corporation duly organized, validly existing and in good standing under the laws of its state of organization, and this Agreement has been duly and validly authorized by all necessary company action on the part of Grantor; and

(c) except for a subordinate lien in favor of Comerica Bank, Grantor has not granted any security interest in any of the Intellectual Property Collateral except to the Secured Parties.

4. GRANTOR’S COVENANTS. Until such time as all Indebtedness have been paid in full:

(a) Grantor shall, in all material respects in accordance with the standards it uses for its intellectual property not subject to Secured Parties’ security interest (the “**Standard**”), properly preserve, maintain and care for the Intellectual Property Collateral; in all material respects in accordance with the Standard, defend at Grantor’s own expense the Intellectual Property Collateral against any adverse claims and demands that could reasonably be expected to have a material adverse effect on the value or use by Grantor of the Intellectual Property Collateral (which may include not defending such claim if Grantor reasonably determines that the cost of such defense would not be commensurate with the value of the Intellectual Property); and keep in all material respects in accordance with the Standard complete, current, and accurate Books and Records with respect to the Intellectual Property Collateral and any proceeds or collections; and Grantor shall provide Secured Parties with the right to inspect and/or access to or copies of the Intellectual Property Collateral, as applicable during reasonable times during regular business hours with reasonable prior written notice (provided that such right shall be limited to once a year except following an Event of Default);

(b) Grantor shall notify the Secured Parties in writing prior to any change in (i) Grantor's name, identity or business structure or (ii) the location of Grantor’s state of organization, or (C) Grantor's Books and Records concerning any Intellectual Property Collateral; and Grantor shall notify as soon as reasonably practical of any change in Grantor's place of business or Grantor’s chief executive office if Grantor has more than one place of business;

(c) Grantor shall promptly notify the Secured Parties in writing upon becoming aware of any event that could reasonably be expected to have a material adverse effect on the value of the Intellectual Property Collateral, the ability of Grantor or the Secured Parties to dispose of the Intellectual Property Collateral, or the rights and remedies of the Secured Parties in relation thereto, including, but not limited to, (i) the levy of any legal process against any Intellectual Property Collateral; (ii) any infringement litigation or actions; and (iii) the adoption of any arrangement or procedure affecting the Intellectual Property Collateral, whether

governmental or otherwise, in each case to the extent such action could reasonably be expected to have a material adverse effect on the value of the Intellectual Property Collateral;;

(d) Grantor shall timely file and pay all renewal fees or other fees or costs associated with any Intellectual Property in accordance with the Standard;

(e) except for a subordinate lien in favor of Comerica Bank, as permitted under the Asset Purchase Agreement or with the consent of the Secured Parties (collectively, the “**Permitted Liens**”), Grantor will not grant any security interest in any of the Intellectual Property Collateral except to the Secured Parties, and will keep the Intellectual Property Collateral free of all liens, claims, security interests and encumbrances of any kind or nature;

(f) Notwithstanding anything to the contrary herein, Grantor shall at all times cause Secured Parties’ security interests in the Intellectual Property Collateral to be an attached, first-priority, perfected security interest;

(g) Grantor shall, in all material respects in accordance with the Standard, pay all costs necessary to preserve, defend, enforce and collect the Intellectual Property Collateral, including but not limited to any costs to perfect the Secured Parties’ security interest. Without waiving Grantor's default for failure to make any such payment, the Secured Parties at its option, following an Event of Default or in order to maintain the Secured Parties’ first-priority lien in the Intellectual Property Collateral, may pay any such costs and expenses, discharge encumbrances (other than Permitted Liens) on the Intellectual Property Collateral, and pay for insurance of the Intellectual Property Collateral, and such payments shall be a part of the Indebtedness and bear interest at the rate equal to the LIBOR Daily Floating Rate (as defined below) plus 4%. Grantor agrees to reimburse the Secured Parties on demand for any costs so incurred. The “**LIBOR Daily Floating Rate**” is a fluctuating rate of interest which can change on each banking day. The rate will be adjusted on each banking day to equal the London Interbank Offered Rate (or a comparable or successor rate which is approved by the Bank) for U.S. Dollar deposits for delivery on the date in question for a one month term beginning on that date. The Secured Parties will use the London Interbank Offered Rate as published by Bloomberg (or other commercially available source providing quotations of such rate as selected by the Secured Parties from time to time) as determined at the date of the advance by the Secured Parties. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by the Secured Parties. If at any time the LIBOR Daily Floating Rate is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement;

(h) unless and until an Event of Default occurs and remains uncured, Grantor will in all material respects in accordance with the Standard: (i) diligently control and manage the Intellectual Property, including exercising the right to exclude others from making, using or selling items covered by the Intellectual Property and any licenses thereunder; and (ii) collect any payments, royalties, licenses or fees related to the Intellectual Property;

(i) except as permitted under the Asset Purchase Agreement, Grantor will not sell, lease, transfer or otherwise dispose of the Intellectual Property, or agree to sell, lease, transfer or otherwise dispose of any Intellectual Property; provided, however, that Grantor shall have the right to license the Intellectual Property in the ordinary course of business;

(j) if Grantor fails to perform or observe any of its covenants or agreements set forth in this Agreement, and if such failure continues for a period of thirty (30) calendar days after a Secured Party gives Grantor written notice thereof (or, in the case of the agreements contained in

subparagraph (f), immediately upon the occurrence of such failure, without notice or lapse of time), or if Grantor notifies the Secured Parties that it intends to abandon any Intellectual Property Collateral that is a registered trademark, the Secured Parties may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Grantor (or, at the Secured Parties' option, in the Secured Parties' own name) and may (but need not) take any and all other actions which the Secured Parties may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment;

(k) Grantor will execute and deliver such additional documents as may be reasonably requested by the Secured Parties to effectuate the purposes of this Agreement; and

(l) to facilitate the Secured Parties' taking action where permitted under this Agreement and exercising its rights under Article 6, Grantor hereby irrevocably appoints (which appointment is coupled with an interest) each of the Secured Parties, or their delegate, as the attorney-in-fact of Grantor with the right (but not the duty), in order to order to maintain the Secured Parties' first-priority lien in the Intellectual Property Collateral or following an Event of Default, to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Grantor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Grantor under this Agreement, or, necessary for the Secured Parties, after an Event of Default, to enforce or use the Intellectual Property or to grant or issue any exclusive or non-exclusive license under the Intellectual Property to any third party, or to sell, assign, transfer, pledge, encumber (other than Permitted Liens) or otherwise transfer title in or dispose of the Intellectual Property to any third party. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall automatically terminate upon the termination of the Asset Purchase Agreement as provided therein and the payment and performance of all Indebtedness.

5. [Intentionally deleted.]

6. **EVENTS OF DEFAULT.** The following each shall be an event of default under this Agreement (an "**Event of Default**"):

(a) a default in the payment by Grantor of any Guaranteed Installment Payment or Incentive Payment under the Asset Purchase Agreement, which is not cured within any grace or cure period specified therein, if any;

(b) failure by Grantor to make any payment under the Asset Purchase Agreement not described in Section 6(a) above, or under this Agreement, within ten (10) business days of written demand; and

(c) Grantor breaches any term, provision, warranty or representation under this Agreement if the same is not cured within thirty (30) calendar days after written notice to Grantor from the Secured Parties, provided that there shall be no cure period with respect to a breach of Section 4(f) hereof.

7. **REMEDIES.** Notwithstanding Section 8.07 of the Asset Purchase Agreement, upon the occurrence of an Event of Default, the Secured Parties may:

(a) pursue any or all remedies as set forth in this Agreement or the Asset Purchase Agreement;

(b) sell, assign, transfer, pledge, encumber or otherwise dispose of the Intellectual Property;

(c) enforce the Intellectual Property and any licenses thereunder, and if the Secured Parties shall commence any suit for such enforcement, Grantor shall, at the request of the Secured Parties, do any and all lawful acts and execute any and all proper documents reasonably required by the Secured Parties in aid of such enforcement; and

(d) notify or require Grantor to notify any account debtor with respect to the Intellectual Property Collateral to forward all payments and proceeds of the Intellectual Property Collateral to the Secured Parties.

8. NOTICES. All notices, approvals, consents, and other communications, under this Agreement (“**Notices**”) must be given in accordance with and will be subject to the terms and provisions of the Asset Purchase Agreement.

9. GOVERNING LAW; VENUE, SERVICE OF PROCESS. This Agreement shall be construed in accordance with and governed by the internal laws (and not the law of conflicts) of the State of California (including, without limitation, California Civil Code Section 1646.5). Any claim or dispute arising out of or relating to any provision of this Agreement shall be resolved in accordance with the dispute resolution provisions set forth in the Asset Purchase Agreement.

10. MISCELLANEOUS.

(a) Any waiver, express or implied, of any provision hereunder and any delay or failure by the Secured Parties to enforce any provision shall not preclude the Secured Parties from enforcing any such provision thereafter.

(b) Each party shall, at the request of another party, execute such other agreements, documents, instruments, or financing statements in connection with this Agreement as may reasonably be necessary.

(c) All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(d) All terms not defined herein are used as set forth in the Uniform Commercial Code.

(e) In the event of any action by the Secured Parties to enforce this Agreement or to protect the security interest of the Secured Parties in the Intellectual Property Collateral in accordance with the terms herein, or to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Intellectual Property Collateral, Grantor agrees to pay immediately the costs and expenses thereof, together with reasonable attorney’s fees to the extent permitted by law.

(f) In the event the Secured Parties seek to take possession of any or all of the Intellectual Property Collateral by judicial process following an Event of Default, Grantor hereby irrevocably waives any bonds and the requirement of the posting of any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

(g) The Secured Parties' rights hereunder shall inure to the benefit of its successors and permitted assigns under the Asset Purchase Agreement. In the event of any assignment or transfer by the Secured Parties of any of the Indebtedness or the Intellectual Property Collateral permitted by the Asset Purchase Agreement, the Secured Parties thereafter shall be fully discharged from any responsibility with respect to the Intellectual Property Collateral so assigned or transferred, but the Secured Parties shall retain all rights and powers hereby given with respect to any of the Indebtedness or the Intellectual Property Collateral not so assigned or transferred. All representations, warranties and agreements of Grantor shall be binding upon the personal representatives, heirs, successors and assigns of Grantor.

11. SECURED PARTIES. Within six (6) months of the day hereof, the Secured Parties shall provide to Guarantor a written notice (the "**Authorization Notice**") of either the name of an agent who has the authorization to represent the Secured Parties under this Agreement or which Secured Party or Secured Parties shall have such authorization, and Grantor shall have the right rely upon the Authorization Notice; provided that the Authorization Notice may be amended or modified pursuant to written notice from the Secured Parties to Grantor.

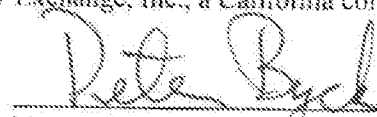
[SIGNATURES ON FOLLOWING PAGE]

Grantor and each Secured Party is signing this Agreement effective as of the day and year first written above.

GRANTOR:

Winery Exchange, Inc., a California corporation

By: _____


Name: Peter M. Byck
Title: Chief Executive Officer

SECURED PARTIES:

Fior di Sole, I.L.C., a California limited liability company

By: _____

Name: Dario De Conti
Title: Managing Member

Alcohol by Volume, Inc., a Nevada corporation

By: _____

Name: Jonathan White
Title: President

By: _____

Name: Matthew Scarlett
Title: Secretary and Treasurer

Cult of 8, a California corporation

By: _____

Name: Gregory Ahn
Title: President

Grantor and each Secured Party is signing this Agreement effective as of the day and year first written above.

GRANTOR:

Winery Exchange, Inc., a California corporation

By: _____

Name: Peter M. Byck

Title: Chief Executive Officer

SECURED PARTIES:

Fior di Sole, LLC, a California limited liability company

By: _____

Name: Dario De Conti

Title: ~~Managing Member~~ Manager

Alcohol by Volume, Inc., a Nevada corporation

By: _____

Name: Jonathan White

Title: President

By: _____

Name: Matthew Scarlett

Title: Secretary and Treasurer

Cult of 8, a California corporation

By: _____

Name: Gregory Ahn

Title: President

[Signature Page to Intellectual Property Security Agreement]

Grantor and each Secured Party is signing this Agreement effective as of the day and year first written above.

GRANTOR:

Winery Exchange, Inc., a California corporation

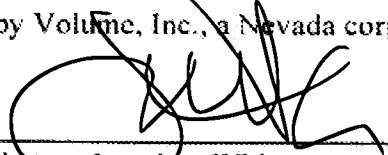
By: _____
Name: Peter M. Byck
Title: Chief Executive Officer

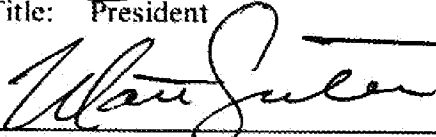
SECURED PARTIES:

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By: _____
Name: Dario De Conti
Title: Managing Member

Alcohol by Volume, Inc., a Nevada corporation

By:  _____
Name: Jonathan White
Title: President

By:  _____
Name: Matthew Scarlett
Title: Secretary and Treasurer

Cult of 8, a California corporation

By: _____
Name: Gregory Ahn
Title: President

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Name: Jonathan White
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By: _____
Name: Matthew Scarlett
Title: Secretary and Treasurer

Cult of 8, a California corporation

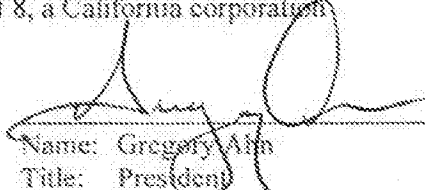
By:  _____
Name: Gregory Alfn
Title: President

Exhibit "A"

Capitalized terms in this Exhibit "A" shall have the meanings given to them in the Asset Purchase Agreement.

All Intellectual Property rights in and to the following in the United States of America:

1. The BREAD & BUTTER trademark, including USPTO registration number 4,850,567 and all common law rights therein.

2. The stylized design:

BREAD & BUTTER

3. The bar codes listed in Annex 1.01(e) of the Asset Purchase Agreement.

4. All labels for the Brand referred to or attached in Annex 1.01(e) – Packaging Labels of the Asset Purchase Agreement.

5. All POS materials for the Brand, including sell sheets, shelftalkers, and tasting notes referred to or attached in Annex 1.01(e) of the Asset Purchase Agreement.

6. The domain name breadandbutterwines.com.

7. The website located at www.breadandbutterwines.com, including all content on such website owned by any Seller.

8. The wine specifications of FDS for the Bread & Butter wine products.

9. The list of customers of the Bread & Butter Business in Annex 1.01(e) – Customer List of the Asset Purchase Agreement.

10. The list of suppliers of the Bread & Butter Business in Annex 1.01(e) – Supplier List of the Asset Purchase Agreement.

11. The list of distributors of the Bread & Butter Business in Annex 1.01(e) – Distributor List of the Asset Purchase Agreement.

SUBORDINATION AND INTERCREDITOR AGREEMENT

This Subordination and Intercreditor Agreement ("Agreement"), is entered into as of April 4, 2017 among **Fior di Sole, LLC**, a California limited liability company, **Alcohol by Volume, Inc.**, a Nevada corporation, and **Cult of 8**, a California corporation (collectively, "Creditor") and **Comerica Bank** ("Bank") with respect to the indebtedness of **Winery Exchange, Inc.**, a California corporation ("Borrower") to Creditor and the Bank.

The Creditor and the Borrower have entered into an Asset Purchase Agreement dated April 3, 2017 (the "Asset Purchase Agreement") and certain other documents and instruments related thereto, including the Intellectual Property Security Agreement dated April 4, 2017 (collectively, the "Purchase Documents") in connection with the purchase by the Borrower of certain assets of the Creditor. The Borrower's obligations under the Purchase Documents are secured by a security interest in the assets of the Borrower set forth on Exhibit "A" to this Agreement and all proceeds thereof (including insurance proceeds) (the "Creditor's Collateral").

The Borrower is currently indebted to the lenders under a Revolving Credit Agreement dated January 5, 2011 among the Borrower, Comerica Bank, as administrative agent, and such lenders (collectively the "Lenders"), including the Bank, from time to time party thereto, as amended (the "Credit Agreement") and certain other documents and instruments related thereto (collectively, the "Bank Documents"). Pursuant to the Bank Documents, the Senior Indebtedness (as defined below) is secured by a security interest in the assets of the Borrower (collectively, the "Lenders' Collateral"), including without limitation, the Creditor's Collateral. Creditor and Lenders have agreed that Creditor shall have a first priority security interest, senior to Lenders, in the Creditor's Collateral.

The Borrower has requested the Lenders' consent under the Credit Agreement to enter into the Purchase Documents and consummate the transactions described therein. The Lenders have agreed to give their consent subject to, among other things, the Creditor executing and delivering this Agreement.

FOR VALUABLE CONSIDERATION, THE CREDITOR AGREES AS FOLLOWS:

1. SUBORDINATION. Subject to the terms, conditions and limitations of this Agreement, any and all present and future obligations and liabilities of the Borrower to the Creditor arising under the Purchase Documents, including, without limit, principal, interest, earn-out, incentive and royalty payments (collectively, "Subordinated Indebtedness"), are subordinated in right of payment to the indebtedness, obligations and liabilities of the Borrower to the Bank, including, without limit, principal, interest, and costs of collection, whether accrued before or after the filing of a petition in bankruptcy, or similar insolvency proceeding, and whether joint or several, direct or indirect, absolute or contingent, secured or unsecured, due or to become due, now or later existing or arising and howsoever evidenced (collectively, "Senior Indebtedness").
2. DEFERRAL OF ACTIONS. Prior to the expiration of the Creditor Cure Period (as defined in Section 4(a) below), the Creditor shall not ask, demand, sue for, take or receive from the Borrower, by way of setoff or in any other manner, the whole or any part of the Subordinated Indebtedness, or exercise any of the Creditor's rights in any security now or later held for the Subordinated Indebtedness other than the Permitted Payments (as defined below). Notwithstanding anything in this Section 2 to the contrary and provided that (i) the Borrower is in compliance with the Credit Agreement and will remain in compliance after giving effect to the applicable Permitted Payment, and (ii) no uncured or unwaived Default or Event of Default (as defined in the Credit Agreement) exists or has occurred on or before the date such payment is made, the Borrower may make payments due to the Creditor under the Purchase Documents ("Permitted Payments"). The Permitted Payments shall be paid on or after the payment due dates set forth in the applicable Purchase Document and may not be prepaid at any time. Payments due under the Purchase Documents which are deferred due to the effect of this provision may be paid later, including any applicable interest at the Default Rate (as that term is defined in the Asset Purchase Agreement), on 10 days' prior written notice to Bank provided that at such time all of the conditions set forth in provisos (i) and (ii) above are satisfied.
3. APPLICATION OF PAYMENTS. If, prior to the satisfaction of the Senior Indebtedness, the Creditor receives any payment, distribution or security or proceeds upon or with respect to the Subordinated Indebtedness other than Permitted Payments or as a result of the exercise of its remedies permitted in Section 4, the Creditor shall forthwith deliver same to the Bank in the form received (except for endorsement or assignment by the Creditor where required by the Bank), for application on the Senior Indebtedness, and, until so delivered, the same shall be held in trust by the Creditor as the property of the Bank. If the Creditor fails to make any such endorsement or assignment, the Bank (or any of its officers or employees on behalf of the Bank), is irrevocably authorized to make the same. The foregoing notwithstanding, this Section 3 shall apply only after the date that Bank provides written notice to Creditor as required under Section 11 below.

4. SUBORDINATION OF LIENS. (a) Except with respect to Creditor's Collateral, in which Creditor has a valid perfected first priority security interest, Creditor expressly subordinates all of its rights, if any exist, in any real or personal property owned by or transferred to Borrower, now or later securing the Senior Indebtedness (collectively, other than and excluding the Creditor's Collateral, "Bank's Senior Collateral") to all rights of the Bank now or later existing in any of the Bank's Senior Collateral to secure the Senior Indebtedness. Subject to the restrictions in Section 4(c) below, Creditor further grants to Bank a perpetual, paid up license to use the Creditor Collateral in connection with the disposition of Bank's Senior Collateral that is in existence and is labeled with or has incorporated therein Creditor's Collateral as of the date that Creditor receives written notice from the Bank of the underlying default under the Bank Documents resulting in such disposition ("Mixed Collateral"). The Creditor consents to the creation and continuance of security interests (present and future) of the Bank in both the Bank's Senior Collateral and the Mixed Collateral to secure the Senior Indebtedness and, subject to Section 4(c) below, to the enforcement of those security interests, including the removal of the Bank's Senior Collateral from the real property of the Borrower. Notwithstanding any other provision of this Agreement, in the event of any default by Borrower with respect to any payment obligation to Creditor under the Purchase Documents, provided that (A) Creditor has provided Bank written notice of such payment default (any such notice, a "Creditor Notice"), (B) more than 60 days have passed since delivery of a Creditor Notice (the "Creditor Cure Period") and (C) such payment default has not been cured by Bank or Borrower or waived by Creditor, Creditor shall be entitled to exercise all remedies available to Creditor at law or in equity with respect to the Creditor's Collateral, including under the Purchase Documents.

(b) Bank and Lenders expressly subordinate all of their rights, if any exist, in the Creditor's Collateral to all rights of the Creditor now or later existing in any of the Creditor's Collateral to secure the Subordinated Indebtedness. The Bank consents to the creation and continuance of security interests (present and future) of the Creditor in the Creditor's Collateral to secure the Subordinated Indebtedness and to the enforcement of those security interests. Notwithstanding any other provision of this Agreement, but subject to Section 1(c), below, in the event of any the occurrence of any default or event of default by Borrower with respect to any obligation to the Lenders under the Bank Documents, provided that (A) Bank has provided Creditor written notice of such default or event of default pursuant to Section 11 below (any such notice, a "Bank Notice"), (B) more than 60 days have passed since delivery of a Bank Notice (the "Lender Cure Period") and (c) such default or event of default has not been cured by Creditor or Borrower or waived by Bank, Bank shall be entitled to exercise all remedies available to Bank at law or in equity with respect to the Creditor's Collateral including under the Bank Documents, provided that the Bank's and the Lender's security interest in the Creditor's Collateral shall be and remain junior and subordinate to Creditor's security interest therein and any foreclosure or other disposition of Creditor Collateral by Bank will be subject to Creditor's security interest therein.

(c) The parties acknowledge that Creditor Collateral consists of trademarks and much of Lender's Collateral incorporates such trademarks and that, as a result, proceeds of Mixed Collateral will frequently comingle proceeds of Creditor's Collateral and of Lender's Collateral. Accordingly, and notwithstanding anything to the contrary in this Agreement, the parties have agreed to the following:

(i) So long as Creditor has not delivered any Creditor Notice or during any Lender Cure Period (with respect to Bank or any successor in interest to Bank (which successor in interest will be included in any reference to Bank for the purposes of this Section 4(c)) but not with respect to Borrower), Borrower or Bank may continue to sell Mixed Collateral (pursuant and subject to the Purchase Documents, in the case of Borrower, or to the license granted in Section 4(a), in the case of Bank) in the ordinary course of business and to retain and apply the proceeds of any such sale.

(ii) Following delivery of either (I) a Creditor Notice and, with respect to Bank, following any Lender Cure Period if such a default or event of default is not timely cured as provided in Section 4(b), or (II) a Bank Notice and the expiration of any Creditor Cure Period (each, a "Default Notice"), Bank may sell any Mixed Collateral in existence and labeled with or incorporating any Creditor Collateral as of the date on which such Default Notice is given, and retain and apply the proceeds therefrom, but may not incorporate the Creditor Collateral in or apply the Creditor Collateral to any other Lenders' Collateral after the date of the Default Notice.

(iii) Lenders acknowledge, and Borrower agrees, that the occurrence of a default or event of default under the Credit Agreement and associated Bank Documents constitutes a default under the Purchase Documents.

5. MODIFICATIONS OF SENIOR INDEBTEDNESS. At any time and from time to time, the Bank may enter into any agreements with the Borrower as the Bank may deem proper, extending the time of payment or renewing or otherwise altering the terms of all or any of the Senior Indebtedness or affecting any related security, or may exchange, sell or surrender or otherwise deal with any such security, or may release any balance of funds of the Borrower on deposit with the Bank, without notice to the Creditor and without in any way impairing or affecting this Agreement.

6. NO WAIVER. No waiver of either party's rights hereunder will be effective unless it is in writing signed by the waiving party. Any waiver shall be effective only for a specifically related matter or matters and shall not impair the rights of the non-waiving party in any other respect at any time.

7. EFFECTIVENESS. This Agreement and all of its terms and provisions shall be immediately binding upon the parties from its date of execution.

8. DEFINITIONS. The term "Borrower", as used herein, includes any person, corporation, partnership, limited liability company or business entity which succeeds to the interests or business of the Borrower named above, the term "Senior Indebtedness" includes the obligations of any successor Borrower to the Bank, and the term "Subordinated Indebtedness" includes the obligations of any successor Borrower to the Creditor on the Purchase Documents.

9. REPRESENTATIONS AND WARRANTIES. The Creditor represents and warrants to the Bank that: (a) the Creditor is the sole holder of the Subordinated Indebtedness with full power to make the subordinations set forth in this Agreement; (b) the Creditor has not made or permitted any assignment or transfer, as collateral or otherwise, of the Subordinated Indebtedness, any instrument evidencing the Subordinated Indebtedness, or any of the Creditor's Collateral; and (c) the Creditor has entered into this Agreement based on its own independent investigation (or decision not to investigate) the financial condition of the Borrower and has not relied on and shall not rely on any representation or information of any nature regarding the Borrower made by or received from the Bank. The Bank represents and warrants to the Creditor that (x) the Bank has full power to make the agreements set forth in this Agreement, including the power to represent and bind the Lenders in connection herewith and (y) the Bank has entered into this Agreement based on its own independent investigation (or decision not to investigate) the financial condition of the Borrower and has not relied on and shall not rely on any representation or information of any nature regarding the Borrower made by or received from the Creditor.

10. MISCELLANEOUS.

(a) Governing Law. This Agreement shall be construed in accordance with the laws of the State of California.

(b) Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each party, and the rights and privileges of the parties under this Agreement shall inure to the benefit of their respective successors and assigns.

(c) Notices. Notice from one party to another relating to this Agreement shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number or telecopier number set forth in this Agreement by any of the following means: hand delivery, registered or certified mail, postage prepaid, express mail or other overnight courier service, or telecopy, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type. Notice made in accordance with these provisions shall be deemed delivered on receipt if delivered by hand or wire transmission, on the third business day after mailing if mailed by registered or certified mail, or on the next business day after mailing or deposit with the postal service or an overnight courier service if delivered by express mail or overnight courier.

(d) Amendments; No Reliance. Any amendment of this Agreement shall be in writing and shall require the signature of the Creditor and the Bank. The Creditor has not made this Agreement in reliance on any representation or promise of the Bank that is not in writing. The Bank has not made this Agreement in reliance on any representation or promise of the Creditor that is not in writing.

(e) Partial Invalidity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement.

(f) Automatic Reinstatement. Notwithstanding any prior revocation, termination, surrender or discharge of this Agreement, the effectiveness of this Agreement shall automatically continue or be reinstated, as the case may be, in the event that any payment received or credit given by the Bank in respect of the Senior Indebtedness, or in the event that any payment received or credit given by the Creditor in respect of the Creditor Indebtedness is returned, disgorged or rescinded as a preference, impermissible setoff, fraudulent conveyance, diversion of trust funds, or otherwise under any applicable state or federal law, including, without limit, laws pertaining to bankruptcy or insolvency, in which case this Agreement shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not the Bank or Creditor, as applicable, relied upon this payment or credit or changed its position as a consequence of it.

(g) Cooperation. In the event of continuation or reinstatement of this Agreement pursuant Section 10(f) above, the Creditor and the Bank, as applicable, agrees upon demand by the other party to execute and deliver to such other party those documents which such other party determines are appropriate to further evidence (in the public records or otherwise) this

continuation or reinstatement, although the failure of such party to do so shall not affect in any way the reinstatement or continuation. If the such party does not execute and deliver to the Bank or the Creditor, as applicable, upon demand such documents, the Bank or the Creditor, as applicable, and each officer of thereof is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of such other party (with full power of substitution) to execute and deliver such documents in the name and on behalf of such other party.

11. Notice of Default. The Bank agrees to give Creditor notice of any Event of Default under the Senior Indebtedness, or any other default, breach, violation or failure to perform with respect to the Senior Indebtedness that permits Bank to proceed with an exercise of any remedy against Borrower, at the same time Bank gives such notice to the Borrower, but the Bank's failure to give such notice shall not impact the rights of the parties under this Agreement or their respective priorities established under this Agreement, except as set forth in this Agreement.

12. Legend. Creditor shall cause the Asset Purchase Agreement to be marked with a legend in substantially the following form:

THE PAYMENT OBLIGATIONS OF WINERY EXCHANGE, INC. TO FIOR DI SOLE, LLC, ALCOHOL BY VOLUME, INC. AND CULT OF 8 UNDER THIS AGREEMENT ARE SUBORDINATED IN RIGHT OF PAYMENT TO THE SENIOR INDEBTEDNESS (AS DEFINED IN THE SUBORDINATION AGREEMENT HEREINAFTER REFERRED TO) PURSUANT TO, AND TO THE EXTENT PROVIDED IN, THE SUBORDINATION AGREEMENT DATED AS OF APRIL _____, 2017 AMONG FIOR DI SOLE, LLC, ALCOHOL BY VOLUME, INC. AND CULT OF 8 AND COMERICA BANK, AS SUCH SUBORDINATION AGREEMENT MAY BE AMENDED, MODIFIED OR SUPPLEMENTED FROM TIME TO TIME. PAYMENTS MAY BE MADE UNDER THIS AGREEMENT ONLY TO THE EXTENT EXPRESSLY PERMITTED UNDER SUCH SUBORDINATION AGREEMENT. THIS LEGEND SHALL BE PLACED ON ANY DOCUMENT OR INSTRUMENT GIVEN AT ANY TIME IN SUBSTITUTION FOR OR REPLACEMENT OF THIS DOCUMENT.

13. WAIVER OF JURY TRIAL. THE CREDITOR, THE BORROWER AND THE BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.

14. Judicial Reference Provision. In the event that the Jury Trial Waiver provision contained in Section 13 is not enforceable, the parties elect to proceed under this Judicial Reference provision.

(a) With the exception of the items specified in clause (b), below, any controversy, dispute or claim (each, a "Claim") between the parties arising out of or relating to this Agreement will be resolved by a reference proceeding in California in accordance with the provisions of Section 638 *et seq.* of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in this Agreement, venue for the reference proceeding will be in the state or federal court in the county or district where venue is otherwise appropriate under applicable law (the "Court").

(b) The matters that shall not be subject to a reference are the following: (i) non-judicial foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This Agreement does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (i) and (ii) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (iii) and (iv). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this Agreement.

(c) The referee shall be a retired judge or justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an *ex parte* or expedited basis, and the parties agree that irreparable harm would result if *ex parte* relief is not granted. Pursuant to CCP § 170.6, each party shall have one preemptory challenge to the referee selected by the Presiding Judge of the Court (or his or her representative).

(d) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (a) set the matter for a status and

trial-setting conference within 15 days after the date of selection of the referee, (b) if practicable, try all issues of law or fact within 120 days after the date of the conference and (c) report a statement of decision within 20 days after the matter has been submitted for decision.

(e) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven days written notice, and all other discovery shall be responded to within 15 days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(f) Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(g) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP § 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(h) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or Justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(i) THE PARTIES RECOGNIZE AND AGREE THAT ALL DISPUTES RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM WHICH ARISES OUT OF OR IS RELATED TO THIS AGREEMENT.

[signature page follows]

This Subordination Agreement is dated and effective on the date stated above

Address:

388 Devlin Road

Napa, CA 94559

Fior di Sole, LLC

By: _____

Print Name: Dario De Conti

Title: Managing Member

Address:

Alcohol In Volume, Inc

By: _____

Print Name: Jonathan White / Matthew Scarlett

Title: President / Secretary & Treasurer

Address:

8940 Carmel Valley Road

Carmel, CA 93923

Cult of 8

By: _____

Print Name: Gregory Ahn

Title: President

Address:

Two Embarcadero Center, Suite 300

San Francisco, CA 94111

Fax: (415) 477-3270

Attention: Kon Theodoridis

Comerica Bank

By: _____

Konstantine I. Theodoridis

Title: Vice President

This Subordination Agreement is dated and effective on the date stated above.

Address:

388 Devlin Road

Napa, CA 94559

Fior di Sole, LLC

By: Dario De Conti

Print Name: Dario De Conti

Title: Managing Member

Manager

Address:

Alcohol by Volume, Inc.

By: /

Print Name: Jonathan White / Matthew Scarlett

Title: President / Secretary & Treasurer

Address:

8940 Carmel Valley Road

Carmel, CA 93923

Cult of 8

By: _____

Print Name: Gregory Ahn

Title: President

Address:

Two Embarcadero Center, Suite 300

San Francisco, CA 94111

Fax: (415) 477-3270

Attention: Kon Theodoridis

Comerica Bank

By: _____

Konstantine I. Theodoridis

Title: Vice President

This Subordination Agreement is dated and effective on the date stated above.

Address:

888 Duxin Road

Napa, CA 94559

Buyer d-Sole, LLC

By:

Print Name: Dario De Conti

Title: Managing Member

Address:

Account by Volume, Inc.

By:

Print Name: Jonathan White / Matthew Scariati

Title: President / Secretary & Treasurer

Address:

8440 Carmel Valley Road

Carmel, CA 93921

Cult of 8

By:

Print Name: Scott Scott

Title: President

Address:

Commerce Bank

Two Embarcadero Center, Suite 300

San Francisco, CA 94111

Tel: (415) 774-9270

Attention: Ronald Goodwin

By:

Konstantin I. Theodoridis

Title: Vice President

BORROWER'S ACKNOWLEDGMENT

Winery Exchange, Inc., a California corporation ("Borrower") accepts notice of subordination created by this Agreement and agrees that it will take no action inconsistent with this Agreement and that, except as permitted above or with the prior written approval of Bank, no payment or distribution shall be made by Borrower on or with respect to the Subordinated Indebtedness, so long as this Agreement remains in effect. Borrower agrees that the Bank may, at its option, without notice and without limiting Bank's other rights, upon any breach, or purported termination, by the Creditor of this Agreement, declare all Senior Indebtedness to be immediately due and payable and/or terminate any commitments of Bank to Borrower.

Winery Exchange, Inc.

By: _____

~~John Gilmer~~

Its: _____

Senior Vice President, Finance, HR &
Technology

Peter Byrd
CEO

Dated: April 4, 2017

EXHIBIT "A"

CREDITOR'S COLLATERAL

Exhibit "A"

Capitalized terms in this Exhibit "A" shall have the meanings given to them in the Asset Purchase Agreement.

All Intellectual Property rights in and to the following in the United States of America:

1. The BREAD & BUTTER trademark, including USPTO registration number 4,850,567 and all common law rights therein.

2. The stylized design:

BREAD & BUTTER

3. The bar codes listed in Annex 1.01(e) of the Asset Purchase Agreement.
4. All labels for the Brand referred to or attached in Annex 1.01(e) – Packaging Labels of the Asset Purchase Agreement.
5. All POS materials for the Brand, including sell sheets, shelftalkers, and tasting notes referred to or attached in Annex 1.01(e) of the Asset Purchase Agreement.
6. The domain name breadandbutterwines.com.
7. The website located at www.breadandbutterwines.com, including all content on such website owned by any Seller.
8. The wine specifications of FDS for the Bread & Butter wine products.
9. The list of customers of the Bread & Butter Business in Annex 1.01(e) – Customer List of the Asset Purchase Agreement.
10. The list of suppliers of the Bread & Butter Business in Annex 1.01(e) – Supplier List of the Asset Purchase Agreement.
11. The list of distributors of the Bread & Butter Business in Annex 1.01(e) – Distributor List of the Asset Purchase Agreement.