

ORIGINAL

09-26-2001

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

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

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

1. Name of the conveying party(ies):
J. Lohr Winery Corporation
1000 Lenzen Avenue
San Jose, CA 95126

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

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

3. Nature of conveyance: 9-20-01
 Assignment Merger
 Security Agreement Change of Name
 Other

Execution Date: August 29, 2001

2. Name and address of receiving party(ies)

Name: Bank of America, N.A.
Internal
Address: WA1-501-37-20
Street Address: 800 Fifth Avenue, Floor 37
City: Seattle State: WA Zip: 98104

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)
75/878497
76/244368

B. Trademark Registration No.(s)

1483748	2452661	2020571	2250518
1676037	2317305	2015310	2229668
2152725	2021941	2025226	2393724
2248980	2076866	2021940	

Additional number(s) attached Yes No

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

Name: John Rivers
Internal Address:

Street Address: Orrick, Herrington & Sutcliffe LLP
400 Sansome Street
City: San Francisco State: CA Zip: 10103

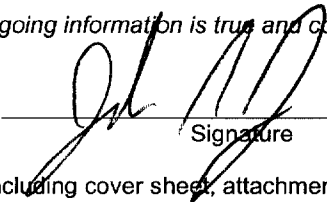
6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41)..... \$ 440.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 4400
(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.

John Rivers Name of Person Signing  Signature September 18, 2001 Date

Total number of pages including cover sheet, attachments, and document: 13

09/25/2001 LMJELLER 00000221 75878497
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231
01 FC:481 40.00 OP
02 FC:482 400.00 OP

TRADEMARK
REEL: 002373 FRAME: 0630

SECURITY AGREEMENT - GENERAL INTANGIBLES
(PATENTS, TRADEMARKS, COPYRIGHTS, COMPUTER SOFTWARE)



1. THE SECURITY. The undersigned J. Lohr Winery Corporation ("the Borrower") for valuable consideration hereby grants to BANK OF AMERICA, N.A. (the "Administrative Agent") as administrative agent for the lenders (the "Lenders", and together with the Administrative Agent, collectively the "Secured Parties") party to that certain Credit Agreement (the "Credit Agreement") dated as of August 29, 2001, between the Borrower, Administrative Agent and the Lenders, a security interest in any right, title, or interest of the Borrower in or to the following described personal property, whether now owned or hereafter acquired (the "Collateral"):

A. All patents and patent applications and all rights corresponding thereto throughout the world, and all unpatented or unpatentable developments and inventions.

B. All trademarks, service marks, logos, and all United States, state and/or foreign applications for registration and registrations thereof, all trade names, trade styles, designs, and the like, all elements of package or trade dress of goods, the goodwill of the Borrower's business connected with the use of, and symbolized by any of the above, and all property of the Borrower necessary to produce any products sold under any of the above.

C. All copyrights and copyrighted works, all derivative works thereof, all mask works of semiconductor chip products, and United States and/or foreign applications for registration and registrations thereof.

D. All computer software programs developed or to be developed by the Borrower or in which the Borrower asserts or could assert a proprietary interest; all personal property, including but not limited to source codes, object codes or similar information, which is necessary to the practical utilization of such programs; all tangible property of the Borrower embodying or incorporating any such programs.

E. All trade secrets, proprietary information, customer lists, instructional materials, working drawings, manufacturing techniques, process technology documentation, and product formulations.

F. All rights to damages or profits due or accrued arising out of past, present or future infringement of the Collateral or injury to the Borrower's good will connected with the use of the Collateral and the right to sue therefor.

G. All renewals, modifications, amendments, re-issues, divisions, continuations in whole or part, and extensions of any Collateral.

H. All proceeds of any Collateral.

2. **THE INDEBTEDNESS.** The Collateral secures and will secure the repayment of the Obligations and all Indebtedness of the Borrower to the Secured Parties. Unless the Borrower shall have otherwise agreed in writing, the terms "Obligations" and "Indebtedness" shall not include "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending Act or any regulations promulgated thereunder.

3. **WARRANTIES AND REPRESENTATIONS.** The Borrower represents and warrants to the Secured Parties as follows:

A. Exhibit A to this Agreement is a complete list of all patents, trademark and service mark registrations, copyright registrations, mask work registrations, and all applications therefor, in which the Borrower has any right, title, or interest, throughout the world.

B. The Borrower has full power and authority to execute this Agreement and perform its obligations hereunder, and to subject the Collateral to the security interest transferred hereby, and the Borrower has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

C. The Borrower is the lawful owner of the entire right, title and interest in and to all the Collateral, free and clear of all Liens, other than Permitted Liens, claims of infringement, setoffs, counterclaims, licenses, shop rights, and covenants not to sue third persons, except as the Secured Parties have consented to in writing.

4. **BORROWER'S COVENANTS.** The Borrower covenants and agrees that, unless compliance is waived by the Secured Parties in writing:

A. The Borrower will at its expense properly maintain the Collateral and shall not fail to renew and shall not otherwise abandon any Collateral. The Borrower will, at its expense, diligently prosecute all patent, trademark or service mark or copyright applications pending on or after the date hereof, will maintain in effect all issued patents and will renew all trademark and service mark registrations, including payment of any and all maintenance and renewal fees relating thereto. The Borrower also will promptly make application on any patentable but unpatented inventions, registerable but unregistered trademarks and service marks, and copyrightable but uncopyrighted works, in each case, necessary for the Borrower's business.

B. The Borrower will at its expense protect and defend all rights in the Collateral against any claims and demands of all persons other than the Bank and will, at its expense, enforce all rights in the Collateral against any and all infringers of the Collateral. The Borrower will not license or transfer any of the Collateral except with Bank's prior written consent.

C. The Borrower will promptly notify the Administrative Agent of any acquisition (by adoption and use, purchase, license or otherwise) of any patent, trademark or

service mark registration, copyright registration, mask work registration, and applications therefor, and unregistered trademarks and service marks and copyrights, throughout the world, which are granted or filed or acquired after the date hereof or which are not listed on Exhibit A hereto. The Borrower authorizes the Secured Parties, without notice to the Borrower, to modify this Agreement by amending Exhibit A to include any such Collateral.

D. The Borrower will promptly notify the Administrative Agent of any legal process which is levied against the Collateral and any other event which may have a material adverse effect on the value of the Collateral (including, but not limited to, conduct which might infringe on any Collateral) or the rights and remedies of the Secured Parties in relation thereto, and the Borrower will enforce all rights in the Collateral against any and all infringers thereof.

E. The Borrower will, at the request of the Administrative Agent, execute such other agreements, documents or instruments in connection with this Agreement as any Secured Party may reasonably deem necessary, including, but not limited to, those documents prepared by the Administrative Agent which, at the Administrative Agent's option, the Administrative Agent chooses to record with any Governmental Authority, in any State or at the Federal level or in any foreign country, relating to the security interest the Administrative Agent, on behalf of the Secured Parties, holds in the Collateral.

F. The Borrower will pay to the Secured Parties, on demand, the amounts of any fees required to be paid in connection with recordation of this Agreement or any other agreement, document, or instrument evidencing the Administrative Agent's security interest and any other rights in or to the Collateral.

5. **EVENTS OF DEFAULTS.** The Borrower shall be deemed in default under this Agreement upon the occurrence and during the continuance of an Event of Default.

6. **BANK'S REMEDIES AFTER EVENTS OF DEFAULT.** In addition to the rights and remedies set forth in the Security Agreement, in the event of any Event of Default the Secured Parties may:

A. Enforce the security interest given hereunder pursuant to the UCC and any applicable other law.

B. Take all other actions and exercise all rights and remedies provided for in any Loan Document.

7. **MISCELLANEOUS.**

A. In the event of a sale of Collateral (whether under power of sale herein granted, pursuant to judicial process or otherwise), the Borrower will duly execute and acknowledge all documents necessary or advisable to record title to such Collateral in the name of the purchaser, including, without limitation, valid and recordable assignments of such

Collateral.

B. The Borrower hereby appoints the Administrative Agent, effective upon the occurrence of an Event of Default, the Borrower's attorney-in-fact, with full authority to take any action and to execute any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement. Such appointment of the Administrative Agent as the Borrower's attorney-in-fact is coupled with an interest and is irrevocable.

C. Any waiver, expressed 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.

D. This Agreement shall be governed by and construed according to the laws of the State of California, to the jurisdiction of which the Borrower submits.

E. 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.

F. In the event of any action by any Secured Party to enforce this Agreement or to protect the security interest of Bank in the Collateral, the Borrower agrees to pay the costs thereof, reasonable attorney's fees and other expenses.

G. This Agreement and any agreement or document attached hereto, referred to herein or executed concurrently herewith, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings in respect to the subject matter hereof.

H. Capitalized terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Credit Agreement. The rules of construction set forth in Section 1.02 of the Credit Agreement shall, to the extent not inconsistent with the terms of this Agreement, apply to this Agreement and are hereby incorporated by reference.

[The Signature Page Follows]

Dated as of August 29, 2001.

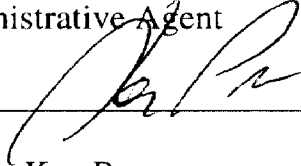
J. LOHR WINERY CORPORATION

By: _____

Name: Jerome J. Lohr

Title: President

BANK OF AMERICA, N.A., as
Administrative Agent

By:  _____

Name: Ken Puro

Title: Vice President

[SIGNATURE PAGE – INTELLECTUAL PROPERTY SECURITY AGREEMENT]

TRADEMARK
REEL: 002373 FRAME: 0635

Dated as of August 29, 2001.

J. LOHR WINERY CORPORATION

By:  _____

Name: Jerome J. Lohr

Title: President

BANK OF AMERICA, N.A., as
Administrative Agent

By: _____

Name: Ken Puro

Title: Vice President

[SIGNATURE PAGE - INTELLECTUAL PROPERTY SECURITY AGREEMENT]

TRADEMARK
REEL: 002373 FRAME: 0636

EXHIBIT A

PATENTS

<u>Country</u>	<u>Patent Date</u>	<u>Issue Date</u>	<u>Investor(s) Name</u>	<u>Title</u>
USA	4,888,189	12/19/1989	Barry R. Gnekow	Ariel RO patent
USA	4,999,209	3/12/1991	Barry R. Gnekow	Ariel RO patent

EXHIBIT A

PENDING PATENT APPLICATIONS

<u>Country</u>	<u>Application Serial No.</u>	<u>Application Filing Date</u>	<u>Inventor(s) Name</u>	<u>Title</u>
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None

EXHIBIT A

TRADEMARKS AND SERVICE MARKS

<u>State or Country</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Trademark or Service Mark</u>
USA	2,393,724	10/20/2000	Right Grapes. Right Place
USA	2,229,668	3/2/1999	Arroyo Vista
USA	2,250,518	6/1/1999	Hilltop
USA	2,021,940	12/10/1996	Seven Oaks
USA	2,025,226	12/24/1996	South Ridge
USA	2,015,310	11/12/1996	Riverstone
USA	2,020,571	12/3/1996	October Night
USA	2,076,866	7/8/1997	Wildflower
USA	2,021,941	12/10/1996	Bay Mist
USA	2,317,305	2/8/2000	Los Osos
USA	2,452,661	5/22/2001	Cypress
USA	2,248,980	6/1/1999	J. Lohr
USA	2,152,725	4/21/1998	Ambassador
USA	1,676,037	2/18/1992	Prospero
USA	1,483,748	4/5/1998	Ariel

EXHIBIT A

PENDING TRADEMARK AND
SERVICE MARK APPLICATIONS

<u>State or Country</u>	<u>Application Serial No.</u>	<u>Application Filing Date</u>	<u>Trademark or Service Mark</u>
USA	75/878497	12/20/1999	Bramblewood
USA	76/244368	4/20/2001	A Flavor Second to None

EXHIBIT A

COPYRIGHTS AND MASK WORKS

<u>Registration No.</u>	<u>Registration Date</u>	<u>Copyright Owner's Name</u>	<u>Title of Work</u>
		None	

EXHIBIT A

PENDING COPYRIGHT AND MASK WORK APPLICATIONS

<u>Application Serial No. Work</u>	<u>Application Filing Date</u>	<u>Applicant's Name</u>	<u>Title of</u>
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None

DOCSSF1:547713.3