

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		Collateral Assignment of Trademark License	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Prestige & Tradition, LLC		11/17/2009	LIMITED LIABILITY COMPANY: CALIFORNIA
Patz and Hall Wine Company		11/17/2009	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Comerica Bank		
Street Address:	75 E. Trimble Road		
City:	San Jose		
State/Country:	CALIFORNIA		
Postal Code:	95131		
Entity Type:	Banking Corporation: TEXAS		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Serial Number:	78626903	PATZ & HALL	
Serial Number:	77311641	PATZ & HALL	
CORRESPONDENCE DATA			
Fax Number:	(734)747-7147		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	3139636420		
Email:	schultz@millercanfield.com		
Correspondent Name:	Maya K. Watson		
Address Line 1:	150 West Jefferson Ave		
Address Line 2:	Suite 2500		
Address Line 4:	Detroit, MICHIGAN 48226		
ATTORNEY DOCKET NUMBER:	125055-00693 PATZ & HALL		
NAME OF SUBMITTER:	Maya K. Watson		

CH \$65.00 78626903

Signature:	/mayakwatson/
Date:	12/03/2009
Total Attachments: 8 source=Executed Collateral Assignment of Trademark License#page1.tif source=Executed Collateral Assignment of Trademark License#page2.tif source=Executed Collateral Assignment of Trademark License#page3.tif source=Executed Collateral Assignment of Trademark License#page4.tif source=Executed Collateral Assignment of Trademark License#page5.tif source=Executed Collateral Assignment of Trademark License#page6.tif source=Executed Collateral Assignment of Trademark License#page7.tif source=Executed Collateral Assignment of Trademark License#page8.tif	

COLLATERAL ASSIGNMENT OF TRADEMARK LICENSE

THIS COLLATERAL ASSIGNMENT OF TRADEMARK LICENSE ("Assignment") dated as of November 17, 2009, is made by:

Prestige & Tradition, LLC, a California limited liability company ("Licensor"); and

Patz and Hall Wine Company, a California corporation ("Assignor");

in favor of:

Comerica Bank, a Texas banking association ("Bank");

in order to secure payment and performance of certain existing and future indebtedness, liabilities, and obligations owed by Assignor to the Bank.

RECITALS

A. Assignor has entered into, obtained, or received the right to use the Licensed Trademarks (as such term is defined below) owned by Licensor pursuant to the terms of that certain Trademark License Agreement between Assignor and Licensor dated December 16, 2008, as it may be amended from time to time ("License Agreement"); and

B. Bank has agreed to make a \$8,000,000 secured line of credit facility, a \$1,800,000 term loan and an interest rate swap facility available to Assignor (collectively, "Loans") pursuant to the Loan and Security Agreement dated November 17, 2009 ("Loan Agreement") between Assignor and Bank and the \$1,800,000 Installment Note made by Assignor for the benefit of the Bank dated on or about November 17, 2009 ("Note"). The Loans will be secured by, among other security, the Assignor's rights under the License Agreement. One of the conditions precedent to disbursement of funds under the Loan Agreement is that the Licensed Trademarks be assigned to Bank as further security for the Loan.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **SECURITY INTEREST.** For consideration received and as security for the Secured Indebtedness (defined below), the Assignor grants, transfers, assigns and sets over to the Bank, and grants the Bank a security interest in, all of the present and future rights of Assignor under the License Agreement in and to the following:

The trademarks PATZ & HALL (word mark) and PATZ & HALL (with a logo in the form attached as Exhibit A) for use with wine ("Licensed Trademarks"), which have been registered in the United States in International Class 033 (US Registration Nos. 3119833 and 3453150), and all renewals, extensions, replacements, and substitutions of or for the foregoing; and all cash, non-cash, insurance and other proceeds of the foregoing.

For these purposes, "Secured Indebtedness" means, collectively, all existing and future indebtedness, liabilities, and obligations of the Assignor to the Bank including, without limit, the following:

(A) Any and all obligations, indebtedness, or liabilities of Assignor owed to Bank, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, and whether known or unknown, including, but not limited to, obligations under (i) the Note, and (ii) the Loan Agreement;

(B) All extensions, renewals, amendments, modifications, replacements, and substitutions of and for any of the foregoing; and

(C) All costs of collecting the foregoing, including, without limit, reasonable attorney fees, and any and all other obligations or liabilities of Assignor to the Bank, in that capacity, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown.

2. **LICENSOR'S CONSENT.** The Licensor consents to Assignor's assignment of the Licensed Trademarks to Bank, as required under the License Agreement, and Licensor's execution of this Assignment shall constitute Licensor's prior written approval of the Assignment, which is required under Section 3.5(h) of the License Agreement.

3. **ASSIGNOR'S REPRESENTATIONS AND WARRANTIES.** The Assignor represents and warrants that:

(a) The Assignor has valid rights to use to the Licensed Trademarks under the terms of the License Agreement, and good right to assign the same, subject to the approval of the Licensor,

(b) No other person or entity (other than Licensor) has any right, title or interest in the Licensed Trademarks,

(c) The Assignor has not previously sold, assigned, transferred or pledged its rights to use the Licensed Trademarks; and

(d) The License Agreement is in full force and effect and no default currently exists under the License Agreement.

4. **AFFIRMATIVE COVENANTS.**

(a) The Assignor covenants and agrees:

(i) Notwithstanding any provision of the License Agreement, Assignor shall not terminate or amend the License Agreement for any reason;

(ii) Assignor shall appear in and defend any action or proceeding arising under, or in any manner connected with, the Licensed Trademarks or the obligations, duties or liabilities of the Assignor under the Licensed Trademarks, and upon request by the Bank, but without jeopardizing the Assignor's rights under or to the Licensed Trademarks do so in the name and on behalf of the Bank, but at the expense of the Assignor; and

(iii) Assignor shall pay all costs and expenses of the Bank, including reasonable attorneys' fees, with respect to the performance of the Assignor's obligations under this Assignment or the enforcement of the Bank's rights under this Assignment.

(b) The Licensor covenants and agrees:

(i) If the Bank transfers any substantial part of the assets of Assignor as a result of an event of default under the Loan Agreement, Licensor shall accept such assignee as the new licensee under the License Agreement;

(ii) Notwithstanding Section 2 of the License Agreement, Licensor's right to royalty payments under the License Agreement (the "Subordinated Indebtedness") shall be to subordinate to any and all obligations and liabilities owing by Assignor to Bank, including, without limit, principal and interest payments under the Loans, whether direct or indirect, absolute or contingent, joint or several, secured or unsecured, due or to become due, now existing or later arising and however evidenced, together with all other sums due thereon and all costs of collecting the same (including, without limit, reasonable attorney fees) for which Assignor is liable (the "Senior Indebtedness") (however the royalty payments owed during such suspended period will continue to accrue). Licensor shall be, however, entitled to collect and receive such royalty payments as and when due under the License Agreement so long as, as of the date for any such payment and after giving effect thereto:

(1) Assignor's "Debt Service Coverage Ratio" (as defined in the Loan Agreement) is not less than 1.00 to 1.00;

(2) No payment default exists with respect to all or any portion of the Senior Indebtedness; and

(3) No "Insolvency Proceeding" (as defined in the Loan Agreement) has been filed or commenced by or against Borrower;

(iii) So long as any of the Senior Indebtedness is outstanding, Licensor shall not exercise any of Licensor's rights in any collateral now or later securing the Subordinated Indebtedness. All rights of Licensor in any collateral now or later securing the Subordinated Indebtedness are subordinated to all rights of Bank now or later existing in any of the same collateral securing the Senior Indebtedness;

(iv) Notwithstanding any provision of the License Agreement, Licensor shall not assign: (i) its rights under the License Agreement, or (ii) the Licensed Trademarks; and

(v) Notwithstanding any provision of the License Agreement, Licensor shall not terminate or amend the License Agreement for any reason.

5. **EVENTS OF DEFAULT.** The following shall constitute an Event of Default under this Assignment:

(a) Failure to perform or comply with the terms of this Assignment;

(b) The amendment or termination of the License Agreement.

(c) The occurrence of an Event of Default under the Loan Agreement or any other document evidencing or securing the Secured Indebtedness.

6. **REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default, the Bank, at its option, shall have the rights, power and authority under this Assignment to exercise and enforce any or all of the following rights and remedies:

(a) **Acceleration of Secured Indebtedness.** To declare all or part of the Secured Indebtedness immediately due and payable.

(b) **Actions of Bank.** Without regard to the adequacy of the security, with or without legal action or proceeding, through any person or agent, or by a receiver appointed by court, do any act or incur any costs or expense as the Bank shall deem proper to protect the security of this Assignment.

(c) **Secured Party.** Exercise all rights, remedies and privileges afforded a "secured party" under Article 9 of the Michigan Uniform Commercial Code.

(d) **No Obligation by Bank.** Acceptance by the Bank of this Assignment, with all of the rights, powers, privileges and authority so created, shall not be deemed or construed to obligate the Bank to appear in or defend any action or proceeding relating to the Licensed Trademarks, or to take any action under this Assignment, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Licensed Trademarks.

(e) **No Waiver.** The exercise of the Bank's rights under this Assignment shall not cure or waive any default or waive, modify or affect any notice of default under any document evidencing or securing the Secured Indebtedness or invalidate any act done pursuant to such notice, and the enforcement of any such right or remedy by the Bank, once exercised, shall continue for so long as the Bank shall elect. If the Bank shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy under this Assignment may be reasserted at any time and from time to time following any subsequent default.

(f) **Additional Remedies.** The Bank shall have all the rights and remedies provided by law or equity or by agreement of the parties. The remedies of the Bank are cumulative and not exclusive.

7. **POWER OF ATTORNEY.** The Assignor constitutes and appoints the Bank the true and lawful attorney of the Assignor, coupled with an interest, and in the name, place and stead of the Assignor with respect to the Licensed Trademarks, with full power of substitution, in the name of Assignor or in the name of the Bank, to perform any of the actions described above to file any claims, take any actions or institute any proceedings which the Bank may deem to be necessary or advisable in connection with the Licensed Trademarks. The foregoing appointment is irrevocable and continuing so long as any part of the Secured Indebtedness shall remain unpaid or unperformed.

8. **HOLD HARMLESS.** The Assignor agrees to indemnify and hold the Bank harmless from all liability, loss, damage or expense which the Bank may incur under or by reason of this Assignment, or for any action taken by the Bank under this Assignment, or by reason or in defense of any and all claims and demands asserted against the Bank arising out of the Licensed Trademarks. Should the Bank incur any such liability, loss, damage or expense, the amount thereof (including reasonable attorneys' fees), with interest thereon at the highest default rate provided for under the Secured Indebtedness, shall be payable by the Assignor immediately, without demand.

9. **MISCELLANEOUS.**

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

(b) **Successors and Assigns.** This Assignment shall be binding upon the successors and assigns of the Assignor including, without limit, any debtor in possession or trustee in bankruptcy for the Assignor, and the rights and privileges of the Bank under this Assignment shall inure to the benefit of its successors and assigns. This shall not be deemed a consent by the Bank to any other assignment or conveyance by the Assignor of all or any part of the Licensed Trademarks.

(c) **Notices.** Notice from one party to another relating to this Assignment 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 Assignment by any of the following means: hand delivery, registered or certified mail, postage prepaid, express mail or other overnight courier service, or teletype, 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.** Any amendment of this Assignment shall be in writing and shall require the signature of the Assignor and the Bank.

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

(f) **Joint and Several Liability.** In the event that more than one person or entity executes this Assignment, the obligations of each person or entity shall be joint and several.

(g) **Automatic Reinstatement.** Notwithstanding any prior revocation, termination, surrender or discharge of this Assignment, the effectiveness of this Assignment 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 Secured 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 Assignment shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not the Bank relied upon this payment or credit or changed its position as a consequence of it.

In the event of continuation or reinstatement of this Assignment, Assignor agrees upon demand by the Bank to execute and deliver to the Bank those documents which the Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the Assignor to do so shall not affect in any way the reinstatement or continuation. If Assignor does not execute and deliver to the Bank upon demand such documents, the Bank and each officer of the Bank is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the Assignor (with full power of substitution) to execute and deliver such documents in the name and on behalf of the Assignor.

(h) **WAIVER OF JURY TRIAL.** THE ASSIGNOR 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

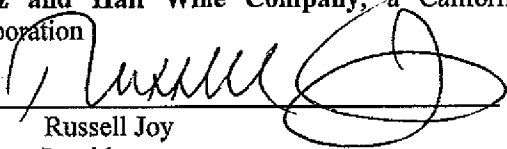
BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS ASSIGNMENT OR THE SECURED INDEBTEDNESS.

[end of Assignment; Signature on Following Page]

This Collateral Assignment of Trademark License is executed and effective on the date noted above.

ASSIGNOR:

Patz and Hall Wine Company, a California corporation

By: 
Russell Joy
Its: President

LICENSOR:

Prestige & Tradition, LLC, a California limited liability company

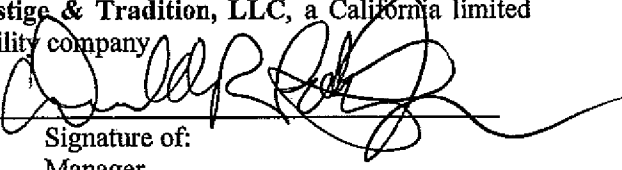
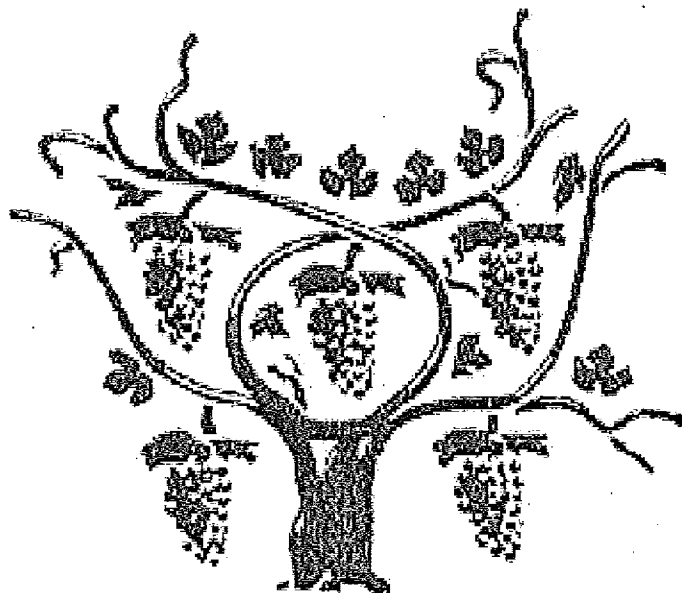
By: 
Signature of:
Its: Manager

EXHIBIT A

LICENSED TRADEMARKS

1. PATZ & HALL

2.



PATZ & HALL