

02-02-1999



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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation) Document ID # _____
- Correction of PTO Error Reel # _____ Frame # _____
- Corrective Document Reel # _____ Frame # _____

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other _____
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
01151999

Name CLIPPER CITY BREWING COMPANY, L.P.

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association
- Other _____
- Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DBA/AKA/TA _____

Composed of _____

Address (line 1) 2 Hopkins Plaza, 5th Floor

Address (line 2) _____

Address (line 3) Baltimore Maryland 21201

- Individual General Partnership Limited Partnership
- Corporation Association
- Other Banking And Trust Association

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization Maryland

FOR OFFICE USE ONLY

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12:48

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to: Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK REEL: 1846 FRAME: 0433

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2004961"/>	<input type="text" value="2048022"/>	<input type="text" value="1913649"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2170047"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Name of Person Signing


Signature

Date Signed

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("AGREEMENT") is dated as of January 12, 1999, by CLIPPER CITY BREWING COMPANY, L.P., a Delaware limited partnership ("BORROWER"), with its mailing address at 4615 Hollins Ferry Road, Suite B, Baltimore, Maryland 21227, to and for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking and trust company ("LENDER"), with its principal place of business at 2 Hopkins Plaza, Baltimore, Maryland 21201.

RECITALS

The BORROWER has obtained certain credit accommodations (collectively, "LOAN") from the LENDER pursuant to the terms and provisions of a Loan And Security Agreement dated July 14, 1995, by and between the BORROWER and the LENDER, as amended ("LOAN AGREEMENT"). Pursuant to the terms of the LOAN AGREEMENT, the BORROWER has granted liens in all of its assets, including but not limited to, the BORROWER'S goodwill and has agreed to execute and deliver this AGREEMENT as security for all of the BORROWER'S obligations in connection with the LOAN.

Consequently, pursuant to the terms of this AGREEMENT, the BORROWER has agreed to grant to the LENDER a security interest and lien in all of the BORROWER'S trademarks and trademark applications registered with the United States Patent And Trademark Office.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, the BORROWER agrees with the LENDER as follows:

Section 1. Grant Of Security Interest. The BORROWER, as additional security for the complete and timely payment, performance and satisfaction of all of the OBLIGATIONS (as hereafter defined), hereby grants unto LENDER, its successors and assigns, upon the following terms and conditions, a continuing lien and security interest in those certain trademarks, trademark applications, and service marks registered with the United States Patent and Trademark Office in the name of the BORROWER, and described on Exhibit A attached hereto and made a part hereof, together with any renewals thereof, and the entire goodwill of the business in connection with which such trademarks and service marks are used, and all claims for damages by reason of past infringement of such trademarks and service marks with the right to sue for and collect the same, to LENDER (collectively, "Trademarks") and all license rights in the Trademarks. As used herein, the term "OBLIGATIONS" shall have the same meaning as given that term in the LOAN AGREEMENT. This AGREEMENT is delivered pursuant to and in confirmation of the terms and conditions of the LOAN AGREEMENT, which terms and conditions are incorporated by reference into this AGREEMENT and made a part hereof as if fully set out herein.

Section 2. Additional Trademarks Or Service Marks. If, before the OBLIGATIONS shall have been satisfied in full, the BORROWER shall obtain rights to any new trademarks or service marks, the provisions of Section 1 shall automatically apply thereto and the BORROWER shall give prompt written notice thereof to LENDER. The BORROWER irrevocably and unconditionally authorizes LENDER to modify this AGREEMENT by amending Exhibit A to include any additional or future trademarks, service marks and applications therefor owned or acquired by the BORROWER without any further assent or signature of the BORROWER.

Section 3. Purpose. This AGREEMENT has been executed and delivered by the BORROWER for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to LENDER under the LOAN AGREEMENT. The terms and conditions of the LOAN AGREEMENT shall remain in full force and effect in accordance with its terms, notwithstanding the execution, delivery and recordation of this AGREEMENT.

Section 4. Representations And Warranties. The BORROWER represents and warrants that:

a. The Trademarks are subsisting and have not been adjudged invalid or unenforceable in whole or in part;

b. Each of the Trademarks is valid and enforceable;

c. No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;

d. The BORROWER is the sole and exclusive owner of the entire unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by the BORROWER not to sue third persons;

e. The BORROWER has the unqualified right to enter into this AGREEMENT and to perform its terms;

f. The BORROWER has used, and will continue to use for the duration of this AGREEMENT, proper statutory notice in connector with its use of the Trademarks; and

g. The BORROWER has used or required the use of, and will continue to use or require the use of for the duration of this AGREEMENT, consistent standards of quality in the manufacture of products sold and services rendered under the Trademarks.

Section 5. Maintenance of Trademarks; Prosecution Of Applications And Proceedings. The BORROWER shall: (a) maintain the

registration of the Trademarks; (b) take all actions necessary to maintain, preserve and continue the validity and enforceability of the Trademarks, including but not limited to the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings, and the payment of any and all application, renewal, extension or other fees; and (c) through counsel acceptable to LENDER, (i) prosecute diligently any trademark applications of the Trademarks pending as of the date of this AGREEMENT or thereafter, (ii) make federal application on registrable but unregistered Trademarks, (iii) file and prosecute opposition and cancellation proceedings, and (iv) do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. The BORROWER shall not, without the prior written consent of LENDER: (a) abandon any of the Trademarks, or (b) bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by the BORROWER. In the event of any litigation involving the Trademarks, LENDER may, if necessary, be joined as a nominal party to such suit if LENDER shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The BORROWER hereby agrees to reimburse and indemnify LENDER for all damages, costs and expenses, including attorney's fees, incurred by LENDER in the fulfillment of the provisions of this Section.

Section 6. Agreement to Assign Interest. Upon the occurrence of an EVENT OF DEFAULT, in addition to all other rights and remedies available to LENDER under the LOAN AGREEMENT or applicable law, the BORROWER hereby agrees to execute any and all documents, agreements and instruments considered necessary, appropriate or convenient by LENDER or its counsel to effectuate the assignment, transfer and conveyance of the Trademarks to LENDER or its assignee. The BORROWER hereby irrevocably and unconditionally authorizes and empowers LENDER to make, constitute and appoint any officer or agent of LENDER as LENDER may select, in its exclusive discretion, as the BORROWER's true and lawful attorney-in-fact, with the power to endorse the BORROWER's name on all such documents, agreements and instruments, including without limitation assignments. The BORROWER hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this AGREEMENT, and constitutes a power of attorney coupled with an interest. All of LENDER's rights and remedies with respect to the Trademarks, whether established by this AGREEMENT, by the LOAN AGREEMENT, by any other loan document, or by law shall be cumulative and may be exercised singularly or concurrently.

Section 7. Patent And Trademark Office May Rely Upon This Agreement. If LENDER shall in good faith elect to exercise any of the rights hereunder, the United States Patent and Trademark Office shall have the right to rely upon LENDER's written statement of LENDER's right to sell, assign and transfer the Trademarks and the

BORROWER hereby irrevocably and unconditionally authorizes the United States Patent and Trademark Office to recognize such sale by LENDER either in the BORROWER's name or in LENDER's name without the necessity or obligation of the United States Patent and Trademark Office to ascertain the existence of any default by the BORROWER under the LOAN AGREEMENT.

Section 8. Costs And Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by LENDER in connection with the preparation of this AGREEMENT and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by the BORROWER on demand by LENDER and until so paid shall be added to the principal amount of the OBLIGATIONS and shall bear interest at the highest rate prescribed in the LOAN AGREEMENT.

Section 9. Notices. Notices that are required or permitted to be delivered hereunder shall be sufficient if in writing and sent to the addresses set forth in the LOAN AGREEMENT, in the manner and within the time specified in the LOAN AGREEMENT.

Section 10. No Assignment Or Further Lien. The BORROWER shall not assign, transfer or convey its interests in the Trademarks, nor shall the BORROWER grant any further lien or security interest in all or any of the Trademarks, without the prior written consent of LENDER.

Section 11. Further Assurances. The BORROWER shall execute any further or additional documents considered necessary, appropriate or proper by LENDER to effectuate the purposes and intent of this AGREEMENT.

Section 12. Amendment. The terms and conditions of this AGREEMENT may be modified, altered, waived, or amended only by a writing executed by the parties hereto.

Section 13. Severability. If any of the provisions of this AGREEMENT are judicially determined to be in conflict with any law of the State of Maryland or otherwise judicially determined to be unenforceable for any reason whatsoever, such provision shall be deemed null and void to the extent of such unenforceability but shall be deemed separable from and shall not invalidate any other provision of this AGREEMENT.

Section 14. Successors And Assigns. The terms, covenants and conditions contained in this AGREEMENT shall inure to the benefit

of LENDER and its successors and assigns, and shall be binding upon the BORROWER and its successors and assigns.

Section 15. Choice Of Law. The laws of the State of Maryland (excluding, however, conflict of law principles) shall govern and be applied to determine all issues relating to this AGREEMENT and the rights and OBLIGATIONS of the parties hereto, including the validity, construction, interpretation, and enforceability of this AGREEMENT and its various provisions and the consequences and legal effect of all transactions and events which resulted in the execution of this AGREEMENT or which occurred or were to occur as a direct or indirect result of this AGREEMENT having been executed.

Section 16. Waiver Of Jury Trial. The BORROWER (by its execution hereof) and LENDER (by its acceptance of this AGREEMENT) agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any party hereto or any successor or assign of any party hereto, with respect to this AGREEMENT, the LOAN AGREEMENT, or any other document or AGREEMENT which in any way relates, directly or indirectly, to this AGREEMENT, the LOAN AGREEMENT, the OBLIGATIONS or any event, transaction or occurrence arising out of or in any way connected with this AGREEMENT, the LOAN AGREEMENT, any of the OBLIGATIONS, or the dealings of the parties with respect thereto, shall be tried only by a court, and not by a jury. **THE BORROWER AND LENDER HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.** The BORROWER acknowledges and agrees that this provision is a specific and material aspect of the AGREEMENT between the parties hereto and that LENDER would not enter into the subject transactions if this provision were not part of this AGREEMENT.

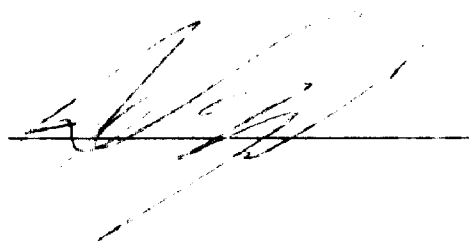
IN WITNESS WHEREOF, the BORROWER has executed this AGREEMENT as of the date first above written with the specific intention of creating an instrument under seal.

WITNESS/ATTEST:

BORROWER:

CLIPPER CITY BREWING COMPANY, L.P.,
A Delaware Limited Partnership

By: SISSON MANAGEMENT, INC.,
General Partner



By:  (SEAL)
Hugh Sisson, President

ACKNOWLEDGMENT

STATE OF MARYLAND, CITY/COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this 15 day of January, 1999, before me, the undersigned Notary Public of the aforesaid State, personally appeared Hugh Sisson, and acknowledged himself to be the President of Sisson Management, Inc., General Partner of CLIPPER CITY BREWING COMPANY, L.P., a Delaware Limited Partnership, and that he, as such President, being authorized so to do, executed the foregoing instrument in the capacity and for the purposes therein contained, by signing the name of Sisson Management, Inc., General Partner of CLIPPER CITY BREWING COMPANY, L.P., by himself as President.

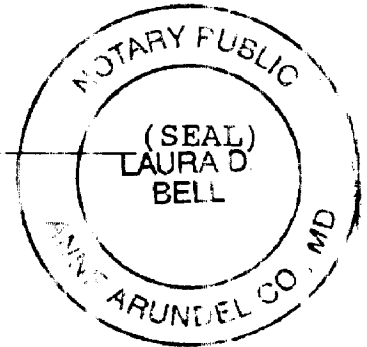
IN WITNESS MY Hand and Notarial Seal.



NOTARY PUBLIC

My Commission Expires:

3/15/99



My Comm. Exps
March 15, 1999

EXHIBIT "A"

Schedule Of Trademarks/Trademark Applications

<u>Trademark</u>	<u>Registration No.</u>	<u>Date Of Registration</u>
Clipper City	2,004,961	10/1/96
Clipper City Logo	2,048,022	5/25/97
Oxford Class	1,913,649	8/22/95
SOB.	2,170,047	6/30/98