

10-24-2002

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

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

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

1. Name of conveying party(ies): Great Spirits Company, LLC
Individual(s) Association General Partnership Limited Partnership Corporation-State Other limited liability company-Delaware
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: Keltic Financial Partners LP Internal Address: Suite C-207 Street Address: 555 Theodore Fremd Avenue City: Rye State: NY Zip: 10580
Individual(s) citizenship Association 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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other
Execution Date:

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) See Schedule A attached hereto
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Linda K. Connolly, Esq. Internal Address: Pitney Hardin Kipp & Szuch, LL P.O. Box 1945, Morristown, NJ 07962-1945 Street Address: 200 Campus Drive City: Florham Park State: NJ Zip: 07932

6. Total number of applications and registrations involved: 6
7. Total fee (37 CFR 3.41): \$ 165.00 Enclosed Authorized to be charged to deposit account
8. Deposit account number: 501145

DO NOT USE THIS SPACE

9. Signature. Linda K. Connolly Signature Date 10/23/02
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 9

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002605 FRAME: 0491

SCHEDULE A

to
Recordation Form Cover Sheet
TRADEMARKS ONLY

Conveying Party: Great Spirits Company, LLC
Receiving Party: Keltic Financial Partners LP

CONTINUATION OF ITEM #4B

Registered Marks

Trademark	Registration No.	Class No.	Goods
Knappogue Castle Whiskey	2,196,103 Oct. 13, 1998	33	Irish Whiskey
Celtic Crossing	2,124,259 Jan 20, 1998	33	
Sea Wynde	2,511,237 Nov. 20, 2001	33	Rum
Boru / Boru Vodka	2,452,996 May 22, 2001		
Corney & Barrow	1770329	33	
September 17 ...Ain't Patrick's Day	2,446,464 Apr 24, 2001	41	For entertainment services, namely organizing parties at bars to promote liquor and whiskey

Record and Return to:
LINDA K. CONNOLLY, ESQ.
Pitney, Hardin, Kipp & Szuch
P.O. Box 1945
Morristown, NJ 07962-1945

**PLEDGE OF TRADEMARKS AND
SERVICE MARKS AS SECURITY**

This Pledge of Trademarks and Service Marks as Security ("Pledge") made as of the 27th day of August, 2001, by **GREAT SPIRITS COMPANY LLC**, a limited liability company of the State of Delaware, having its principal place of business at 1331 Lamar Street, Suite 1125, Houston, Texas 77010 ("Pledgor"), and delivered to **KELTIC FINANCIAL PARTNERS LP**, Delaware limited partnership, with a place of business at 555 Theodore Fremd Avenue, Suite C-207, Rye, New York 10580 ("Lender").

WITNESSETH:

WHEREAS, Pledgor is the owner of the Trademarks and Service Marks (collectively, the "Marks") listed on Schedule "A" annexed hereto, as evidenced by records in the United States Patent and Trademark Office; and

WHEREAS, Lender and Pledgor are entering into a Revolving Loan Agreement ("Loan Agreement") together with the documents and agreements relating thereto (collectively, "Loan Documents") pursuant to which loans ("Loan") may be made by Lender to Pledgor; and

WHEREAS, Lender desires to acquire the Marks as security for the Loan and all other Obligations of Pledgor to Lender.

NOW THEREFORE, in consideration of the foregoing premises and mutual promises herein contained, Pledgor and Lender hereby covenant and agree as follows (all capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Loan Agreement):

1. Grant of Security Interest. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, to secure payment and performance of the Obligations, Pledgor grants a lien and security interest to Lender in all its present and future right, title and interest in and to the Marks, together with all the goodwill and other tangible assets of Pledgor associated with and represented by the Marks, and the non-intent-to-use applications for and registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Representations and Warranties. (a) Pledgor hereby represents that to the best of its knowledge (i) Pledgor owns free and clear of any liens, claims, charges or encumbrances, or is legally entitled to use, all Marks; (ii) the Marks do not infringe or violate, misappropriate or otherwise conflict with, any intellectual property or other rights of third parties; (iii) no third party is infringing upon, misappropriating or otherwise violating the Marks, (iv) there is no

pending or threatened claim or litigation asserting infringement with respect to the Marks, nor has Pledgor received any notice asserting that the Marks conflict with the rights of any other party; (v) Pledgor has the unqualified right to enter into this Agreement and perform its terms; (b) Pledgor hereby covenants that (i) Pledgor will use for the duration of this Agreement, proper notice, as required by 15 U.S.C. §§ 1051-1127 in connection with its use of the Marks; (ii) Pledgor will use for the duration of this Agreement, consistent standards of quality in products leased or sold under the Marks; and (iii) Pledgor will not unreasonably (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Marks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value such that a Material Adverse Effect would result.

3. Covenants. Pledgor further covenants that, unless Lender gives its prior written consent: (a) Pledgor shall maintain the Marks in full force and effect; (b) Pledgor will not enter into any agreement which is inconsistent with this Agreement or restricts or impairs Lender's rights hereunder; and (c) if Pledgor acquires rights to new Marks, the provisions of this Agreement shall automatically apply thereto and Pledgor shall give Lender prompt written notice thereof along with an amended Schedule A.

4. Use of Marks. So long as this Agreement is in effect and no Event of Default has occurred under the Loan Documents, Pledgor shall continue to have the right to use the Marks including licenses thereof, and Lender shall have no right to use the Marks or issue any license with respect thereto, or assign, pledge or otherwise transfer title in the Marks to anyone else.

5 Negative Pledge. Pledgor agrees not to sell, assign (by operation of law or otherwise) or further encumber its rights and interest in the Marks without prior written consent of Lender. Pledgor shall defend the Marks against and shall take other action as is reasonably necessary to remove any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Marks, and will defend the right, title and interest of Lender in and to any of Pledgor's rights under the Marks against the claims or demands of all persons whatsoever.

7. No Additional Marks. As of the date hereof, Pledgor does not own any Marks, or have any Marks registered in or the subject of pending applications in the United States Patent and Trademark Office "PTO", other than those listed on Schedule A annexed hereto.

8. Pledge of Additional Marks. In the event Pledgor, either itself or through any Lender, employee, licensee or designee shall:

(a) file or record an application for the registration of any Trademark with the PTO or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or

(b) file or record any assignment of any Trademark which Pledgor may acquire, own or license from a third party, with the PTO or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

Pledgor shall promptly, but in no event more than fifteen (15) days subsequent to such filing, notify Lender thereof, and, upon request of Lender shall promptly, but in no event more than twenty (20) days subsequent to such notice, execute and deliver any and all assignments, agreements, instruments, documents and papers as Lender may reasonably request to evidence Lender's interest in such Trademark and the goodwill of Pledgor associated thereto or represented thereby. Pledgor hereby grants Lender a power of attorney, irrevocable until the Obligations are fully paid and satisfied, to modify this Agreement by amending Schedule A, as applicable, to include any future Marks or Licenses, including, without limitation, registrations or applications appurtenant thereto, covered by this Agreement.

9. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while Pledgor shall be in default hereunder which default would have a Material Adverse Effect or an Event of Default exists under the Loan Documents, Pledgor hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Marks covered hereby.

(b) For such purposes, and in the event of Pledgor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, Pledgor hereby authorizes and empowers Lender to make, constitute and appoint any officer or Lender of Lender as Lender may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, with the power to endorse Pledgor's name on all applications, documents, papers and instruments necessary for Lender to use the Marks or to grant or issue any exclusive or non-exclusive license under the Marks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Marks to anyone else. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement and the Loan Documents, and until all the Obligations are satisfied in full.

(c) Pledgor expressly acknowledges that this Agreement shall be recorded with the Patent and Trademark Office in Washington, D.C.

10. Subject to Loan Agreement. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

11. Inconsistent with Loan Agreement. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted to Lender under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control. The terms and conditions of the Loan Agreement are hereby incorporated herein by reference.

12. Termination of Agreement. Upon payment and performance of all Obligations under the Loan Documents, Lender shall execute and deliver to Pledgor all documents necessary to re-vest all rights in and to the Marks in Pledgor and/ terminate any interest of Lender therein.

13. Enforcement. Pledgor shall have the right to bring suit in its own name to enforce the Marks, in which event Lender may, if Pledgor deems it necessary or after an Event of Default under the Loan Documents, 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. Pledgor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and reasonable expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. Responsibility and Liability. Pledgor assumes all responsibility and liability arising from the use of the Marks, and hereby indemnifies and holds Lender and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by Pledgor in connection with any of the Marks or otherwise arising out of Pledgor's operation of its business from the use of the Marks. In any suit, proceeding or action brought by Lender under any license for any sum owing thereunder, or to enforce any provisions of such License, Pledgor will indemnify and keep Lender harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of Pledgor of any obligation thereunder or arising out of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Pledgor, and all such Obligations of Pledgor shall be and remain enforceable against and only against Pledgor and shall not be enforceable against Lender.

15. Lender's Rights. Lender may, in its sole discretion, pay any amount or do any act required of Pledgor hereunder or requested by Lender to preserve, defend, protect, maintain, record or enforce Pledgor's obligations contained herein, the Obligations of Pledgor to Lender, the Marks, or the right, title and interest granted Lender herein, and which Pledgor fails to do or pay, and any such payment shall be deemed an advance by Lender to Pledgor and shall be payable on demand together with interest thereon at the default rate specified in the Loan Documents.

16. Protection of the Marks. Pledgor agrees that if it learns of any use by any person or any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Marks, Pledgor shall promptly notify Lender of such use, lien, security interest, claim, right or other encumbrance and, if requested by Lender, shall join with Lender, at Pledgor's expense, in such action as Lender, in its reasonable discretion, may deem advisable for the protection of Lender's interest in and to the Marks, it being understood that the foregoing shall not preclude Pledgor from bringing an action against a person for the protection of Pledgor's interest in and to such Marks.

17. Additional Remedies. Upon the occurrence of an Event of Default under the Loan Documents, Lender may and Pledgor hereby agrees to reimburse Lender in full for all reasonable expenses, including reasonable attorney's fees of the protection, defense, and maintenance of the Marks.

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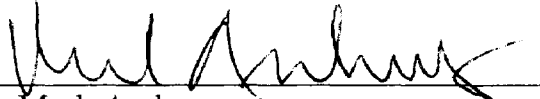
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18. Governing Law. THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

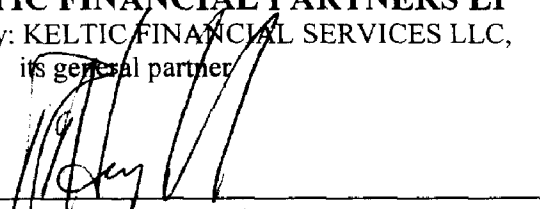
19. Counterparts. This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

GREAT SPIRITS COMPANY LLC
a Delaware limited liability company

By: 
Name: Mark Andrews
Title: President

KELTIC FINANCIAL PARTNERS LP
By: KELTIC FINANCIAL SERVICES LLC,
its general partner

By: 
Name: Robert N. Laughlin
Title: Managing Partner

STATE OF NEW JERSEY :
: SS.
COUNTY OF MORRIS :

BE IT REMEMBERED, that on this 27th day of August, 2002, before me, the undersigned notary public of the State of New Jersey, personally appeared Mark Andrews, the President of **GREAT SPIRITS COMPANY LLC**, a Delaware limited liability company, and that he as such Chairman being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company.

IN WITNESS HEREOF, I have hereunto set my hand and official seal.

By Wendy Sue Nystrom
Notary Public
My Commission Expires:
FEB 28 2005
WENDY SUE NYSTROM
NOTARY PUBLIC - NEW JERSEY
My Commission Expires: 2/28/05

STATE OF NEW JERSEY :
: SS:
COUNTY OF MORRIS :

BE IT REMEMBERED, that on this 27th day of August, before me the subscriber, a Notary Public of the State of New Jersey personally appeared Robert N. Laughlin, who, being by me duly sworn on his oath, deposes and makes proof to my satisfaction, that he is Managing Partner of **KELTIC FINANCIAL SERVICES LLC**, a Delaware limited liability company and general partner of **KELTIC FINANCIAL PARTNERS LP**, the Delaware limited partnership named in the within instrument; that the execution as well as the making of this instrument, has been duly authorized and said instrument signed and delivered by said Managing Partner as and for the voluntary act and deed of said limited liability company.

Wendy Sue Nystrom
Notary Public
My Commission Expires:
FEB 28 2005
WENDY SUE NYSTROM
NOTARY PUBLIC - NEW JERSEY
My Commission Expires: 2/28/05

**SCHEDULE A TO PLEDGE OF TRADEMARKS AND
SERVICE MARKS AS SECURITY**

Registered Marks

Trademark	Registration No.	Class No.	Goods
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