

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Phusion Projects LLC		05/03/2013	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	City Brewing Company LLC
Street Address:	925 S. 3rd Street
City:	La Crosse
State/Country:	WISCONSIN
Postal Code:	54601
Entity Type:	LIMITED LIABILITY COMPANY: WISCONSIN

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Serial Number:	77427876	FOUR MAXED
Serial Number:	85344393	FOUR POCO LOKO
Serial Number:	85172847	FOUR LOKO
Serial Number:	85083159	FOUR LOKO
Serial Number:	77657462	LOKO FOUR
Serial Number:	77695481	EARTHQUAKE HIGH GRAVITY LAGER
Serial Number:	77695474	QUAKE HIGH GRAVITY LAGER

CORRESPONDENCE DATA

Fax Number: 6087841561
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 6087821469
 Email: abosshard@bosshardparkelaw.com
 Correspondent Name: Andrew R. Bosshard/Bosshard Parke Ltd.
 Address Line 1: 750 3rd St. N., Suite A

OP \$190.00 77427876

Address Line 2: PO Box 966
Address Line 4: La Crosse, WISCONSIN 54602-0966

NAME OF SUBMITTER:	Andrew R. Bosshard
Signature:	/Andrew R. Bosshard/
Date:	05/15/2013

Total Attachments: 15

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SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of May 3, 2013 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), made by and between Phusion Projects, LLC, a Delaware limited liability company (the "**Grantor**"), in favor of City Brewing Company, LLC, a Wisconsin limited liability company (the "**Secured Party**").

WHEREAS, the Secured Party and its affiliates have previously extended trade credit to Grantor and its affiliates pursuant to that certain Trade Credit Accommodation, dated and effective as of July 30, 2012 (as amended, supplemented or otherwise modified from time to time, the "**Accommodation**"), by and between Grantor (on behalf of itself and its affiliates) and Secured Party (on behalf of itself and its affiliates). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Accommodation;

WHEREAS, this Agreement is given by the Grantor in favor of the Secured Party to secure the payment and performance of all of the Secured Obligations (as defined herein); and

WHEREAS, Secured Party will only continue to keep the Accommodation in effect if Grantor executes and delivers this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" has the meaning set forth in *Section 2*.

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"**Lien**" means any mortgage, deed of trust, lien, pledge, hypothecation, assignment for security, security interest, charge or any other encumbrance to which the Grantor is a party or on or affecting the Collateral, any portion thereof or any interest therein.

"**Permitted Liens**" means the Liens created by this Agreement and the Liens described on Schedule 1 attached hereto.

"**Proceeds**" means "proceeds" as such term is defined in section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"**Secured Obligations**" has the meaning set forth in **Section 3**.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of Wisconsin or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Grant of Security Interest. The Grantor hereby pledges and grants to the Secured Party, and hereby creates a continuing lien and security interest in favor of the Secured Party, subject only to the Permitted Liens, in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

(a) all fixtures and personal property of every kind and nature including all accounts, goods (including inventory and equipment), documents (including, if applicable, electronic documents), instruments, promissory notes, chattel paper (whether tangible or electronic), letters of credit, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), securities and all other investment property, general intangibles (including all payment intangibles), money, deposit accounts, and any other contract rights or rights to the payment of money, and all intellectual property, including but not limited to trade secrets and proprietary information, customer lists, tradenames, business names, service marks, logos, designs, formulae, patents, trademarks, and copyrights (and the good will associated with and registrations and licenses of any of them); and

(b) all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantor from time to time with respect to any of the foregoing.

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3. Secured Obligations. The Collateral secures the payment and performance of the obligations of the Grantor from time to time arising under the Accommodation and this Agreement, including the principal of and interest on any trade credit loans made under the Accommodation and all other monetary obligations of the Grantor under the Accommodation and this Agreement, and any other debts, obligations and liabilities of Grantor and its affiliates or guarantors to Secured Party or its affiliates arising out of credit previously granted, credit contemporaneously granted, and credit granted in the future by Secured Party or any of its affiliates to Grantor or any of its affiliates or guarantors, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, expenses and indemnities, whether primary or secondary, direct or indirect, absolute or contingent, fixed or otherwise, due or to become due, or joint or several (all such obligations, liabilities, sums and expenses set forth in this *Section 3* being herein collectively called the "**Secured Obligations**").

4. Further Assurances. Subject to the Permitted Liens:

(a) The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of applicable sections of the UCC, the Grantor shall take all actions as may be requested from time to time by the Secured Party and not prohibited by the Permitted Liens so that control of such Collateral is obtained and at all times held by the Secured Party to the extent of Secured Party's interest in said Collateral. All of the foregoing shall be at the sole cost and expense of the Grantor.

(b) The Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, without the signature of the Grantor where permitted by law, including the filing of a financing statement describing the Collateral as all assets now owned or hereafter acquired by the Grantor, or words of similar effect, and collateral assignments of trade marks required to be filed with the United States Patent and Trademark Office on forms provided by such agency. The Grantor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

(c) If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, tangible chattel paper, negotiable documents or warehouse receipts relating to the Collateral, the Grantor shall, if requested by the Secured Party and not prohibited by the Permitted Liens, endorse, assign and deliver the same to the Secured

Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

(d) If any Collateral is at any time in the possession of a bailee, the Grantor shall promptly notify the Secured Party thereof and, at the Secured Party's request and option, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to the Secured Party, that the bailee holds such Collateral for the benefit of the Secured Party and the bailee agrees to comply, without further consent of the Grantor, at any time with instructions of the Secured Party as to such Collateral.

(e) The Grantor agrees that at any time and from time to time, at the expense of the Secured Party, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any security interest granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

5. Representations and Warranties. The Grantor represents and warrants as follows:

(a) That: (i) the Grantor's exact legal name is that indicated on the signature page hereof, (ii) the Grantor is an organization of the type, and is organized in the jurisdiction, set forth in first paragraph of this Agreement, and is validly existing and in good standing under the laws of the state of its organization, and (iii) the Grantor's tax identification number, its chief executive office and its mailing address are indicated on the signature page hereof.

(b) Subject to the Permitted Liens, it has good and valid rights in or the power to transfer the Collateral owned by it and title to the Collateral with respect to which it has purported to grant a security interest hereunder free and clear of all liens and claims (other than the Permitted Liens) and has full limited liability company power and authority to grant to the Secured Party the security interest in the Collateral pursuant hereto.

(c) At the time the Collateral becomes subject to the lien and security interest created by this Agreement, the Grantor will be the sole, direct, legal and beneficial owner thereof, free and clear of any Lien except for the security interest created by this Agreement and the Permitted Liens.

(d) Subject to the Permitted Liens, it has full power, authority and legal right to pledge the Collateral pursuant to this Agreement.

(e) This Agreement has been duly authorized, executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable in

accordance with its terms, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) requirements of reasonableness, good faith and fair dealing.

(f) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required by the Grantor for the pledge by the Grantor of the Collateral pursuant to this Agreement or for the execution and delivery of this Agreement by the Grantor or the performance by the Grantor of its obligations hereunder.

(g) The execution and delivery of this Agreement by the Grantor and the performance by the Grantor of its obligations hereunder will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the organizational or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.

(h) To Grantor's knowledge, no financing statement (other than any that may have been filed in connection with the Permitted Liens) covering any of the Collateral is on file in any public office.

6. Voting, Distributions and Receivables.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, equity interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto.

(b) The Secured Party agrees that the Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, equity interests or indebtedness owed by any obligor.

(c) If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party the Grantor shall, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that, subject to the Permitted Liens, payment thereof is to be made directly to the Secured Party.

7. Covenants. The Grantor covenants as follows:

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(a) The Grantor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its tax identification number. The Grantor will, prior to any change described in the preceding sentence, take all actions reasonably requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

(b) The Grantor shall, at its own cost and expense, take commercially reasonable actions to defend title to the Collateral and the lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Grantor.

(c) Except for ordinary wear and tear, the Grantor will keep the Collateral in good order and repair, will not permit its value to be impaired, will keep it free and clear from all liens, encumbrances and security interests (other than the Secured Party's security interest and the Permitted Liens), and will not use the same in violation of law or any policy of insurance thereon. Subject to the Permitted Liens, the Grantor will permit the Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located, at the Secured Party's cost and expense.

(d) The Grantor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement, except (i) those which are being contested in good faith by appropriate proceedings and (ii) those which by reason of the amount involved or the remedies available to the taxing authority could not reasonably be expected to have a material adverse effect on the Grantor.

(e) Without limiting any other requirements set forth in the Accommodation, the Grantor shall furnish to Secured Party financial statements at least annually and such other financial information respecting Grantor at such times and in such form as Secured Party may reasonably request. At such times as Secured Party may require, Grantor shall furnish to Secured Party a statement certified by Grantor and in such form as may be reasonably prescribed by Secured Party, showing the current value and status of the Collateral.

(f) The Grantor will promptly notify Secured Party of, and keep Secured Party reasonably apprised as to, any tort claim raised against Grantor that claims damages in excess of \$1,000,000.

8. Secured Party Appointed Attorney-in-Fact. The Grantor hereby appoints the Secured Party the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action

and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable until the date on which all Secured Obligations have been paid and performed in full or, if earlier, the date of termination of this Agreement as set forth in the Accommodation. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

9. Secured Party May Perform. If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the reasonable expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor and shall be secured by this Agreement; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Grantor.

10. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve the Grantor from the performance of any obligation on the Grantor's part to be performed or observed in respect of any of the Collateral.

11. Release of Secured Party. Grantor releases Secured Party from any liability for any act or omission relating to the Secured Obligations, the Collateral, this Agreement, or the Accommodation, except Secured Party's willful misconduct or negligence.

12. Event of Default. The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder:

(a) one or more final, non-appealable judgments aggregating in excess of \$2,000,000.00 (collectively, "**Judgments**") for the payment of money have been rendered against Phusion (excluding any judgments rendered against Phusion by City, CBC Latrobe Acquisition, LLC, Blues City Brewery, LLC or any City affiliate or related entity) and the same shall remain unsatisfied for a period of 90 consecutive days during which execution thereof shall not be effectively stayed, and the Judgments have a

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material adverse effect on the ability of Phusion to perform its obligations under the Accommodation; or

(b) Phusion has commenced a proceeding or filed a petition seeking liquidation, reorganization, receivership or other relief under any bankruptcy, reorganization or insolvency law, which remains for 90 days undismissed; or

(c) an involuntary proceeding has been commenced or an involuntary petition has been filed seeking bankruptcy, liquidation, reorganization, receivership or other relief in respect of Phusion or its debts, or of a substantial part of its assets, under any bankruptcy, reorganization or insolvency law (collectively, "Involuntary Actions") and remains for 90 days undismissed (excluding any such Involuntary Actions that have been commenced and/or filed against Phusion by City, CBC Latrobe Acquisition, LLC, Blues City Brewery, LLC or any City affiliate or related entity).

Phusion shall promptly notify City of the occurrence of an Event of Default.

13. Remedies Upon Event of Default. If any Event of Default shall have occurred and be continuing, and notice and an opportunity to cure has been given pursuant to Section 10 of the Accommodation, then, subject to the Permitted Liens:

(a) The Secured Party, without any other notice to or demand upon the Grantor, may assert all rights and remedies of a secured party under the UCC or other applicable law, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable law, written notice mailed to the Grantor at its notice address as provided in **Section 16** twenty (20) days prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. The Secured Party shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC. The Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral

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so sold free from any such right or equity of redemption. Neither the Secured Party nor any custodian shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto.

(b) All rights of the Grantor to (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to **Section 6(a)** and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to **Section 6(b)**, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such dividends and other distributions as Collateral.

(c) Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of reasonable expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied or set off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the reasonable fees and other charges of any attorneys employed by the Secured Party to collect such deficiency.

(d) If the Secured Party shall determine to exercise its rights to sell all or any of the Collateral pursuant to this Section, the Grantor agrees that, upon request of the Secured Party, the Grantor will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

14. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to **Section 15**), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

15. Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed

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by the Secured Party and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

16. Notices. All notices, requests and demands to be made hereunder shall be made in writing and addressed to the respective parties at their addresses as specified on the signature pages hereof (or as to either party at such other address as shall be designated by such party in a written notice to the other party) and shall be given by either of the following means: (a) personal delivery or by prepaid, receipted courier or commercially reasonable express delivery service (including, but not limited to, Federal Express, Express Mail, or United Parcel Service); or (b) registered or certified United States mail, return receipt requested and postage prepaid. Any notice, demand or request sent pursuant to clause (a) shall be deemed received upon such delivery, and, if sent pursuant to clause (b) shall be deemed received five days following deposit in the mail.

17. Continuing Security Interest. This Agreement shall create a continuing lien and security interest in the Collateral and shall (a) remain in full force and effect until the date on which all Secured Obligations have been paid and performed in full or, if earlier, the date of termination of this Agreement as set forth in the Accommodation, (b) be binding upon the Grantor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party except, with thirty days prior written notice to Secured Party, to a successor in interest due to the sale of all or substantially all of its assets or pursuant to any merger or reorganization.

18. Termination; Release. On the date on which all Secured Obligations have been paid and performed in full or, if earlier, the date of termination of this Agreement as set forth in the Accommodation, the Secured Party will, at the request and sole expense of the Grantor, (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

(a) Attorneys Fees. Grantor agrees to pay all expenses, including reasonable attorney's fees and charges, paid or incurred by Secured Party in endeavoring to collect the Secured Obligations, or any part thereof, and in enforcing this Agreement, and all such expenses shall be secured by this Agreement.

19. JURY TRIAL WAIVER. GRANTOR AND SECURED PARTY HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR THE

ACCOMMODATION, AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY CREDIT RELATIONSHIP EXISTING IN CONNECTION WITH THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

20. GOVERNING LAW. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Wisconsin.

21. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and the Accommodation constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the date first above written.

**PHUSION PROJECTS, LLC, as
Grantor**

By: _____

Name:

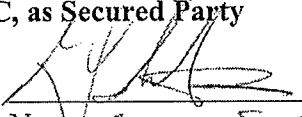
Title:

Address for Notices:

640 North LaSalle Drive, Suite 265,
Chicago, IL 60654

EIN:

**CITY BREWING COMPANY,
LLC, as Secured Party**

By:  _____

Name: Gregory S. Duda

Title: VP / CFO

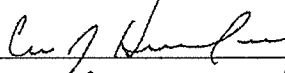
Address for Notices:

925 S. 3rd Street

La Crosse, WI 54601

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the date first above written.

**PHUSION PROJECTS, LLC, as
Grantor**

By: 
Name: Christopher J. Honneforth
Title: CFO

Address for Notices:
640 North LaSalle Drive, Suite 265,
Chicago, IL 60654
EIN:

**CITY BREWING COMPANY,
LLC, as Secured Party**

By: _____
Name:
Title:

Address for Notices:
925 S. 3rd Street
La Crosse, WI 54601

SCHEDULE 1

PERMITTED LIENS

1. Liens on the Collateral granted prior to the date hereof to Bibby Financial Services (Midwest), Inc.
2. Liens on the Collateral granted prior to the date hereof to US Capital Partners, LLC and US Capital Partners, Inc.
3. Liens on the Collateral that are granted to any lender providing Grantor with a line of credit or other business financing, to the extent such lender requires a first priority lien in all or substantially all of the assets of Grantor as a condition to providing such financing, and provided that the principal amount of all indebtedness senior to Secured Party's lien as of the date of such new financing not exceed the principal amount of all indebtedness senior to Secured Party's lien as of the date prior to such new financing (unless the difference shall have been substantially remitted to Secured Party).
4. Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided, that Borrower maintains adequate reserves therefor in accordance with GAAP; Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like suppliers arising in the ordinary course of Grantor's business and imposed without action of such parties or which do not materially impair the Collateral and which are being contested in good faith by appropriate proceedings; Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder; the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than liens arising under ERISA or environmental liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; purchase money liens and liens in connection with capital leases on equipment; banker's liens, rights of setoff and similar Liens incurred on deposits made in the ordinary course of business; and Liens incurred

in connection with the extension, renewal or refinancing of the indebtedness secured by a Permitted Lien of the type described in this Schedule 1; provided, that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase.