

11/25/2015

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



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To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

PELICAN BREWING COMPANY

- Individual(s)
- Partnership
- Corporation- State: _____
- Other LLC _____
- Association
- Limited Partnership

Citizenship (see guidelines) OREGON

Additional names of conveying parties attached? Yes No

3. Nature of conveyance/Execution Date(s) :

Execution Date(s) OCTOBER 30, 2015

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: LIVE OAK BANKING COMPANY

Street Address: 1741 TIBURON DRIVE

City: WILMINGTON

State: NORTH CAROLINA

Country: UNITED STATES Zip: 28403

- Individual(s) Citizenship _____
- Association Citizenship _____
- Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship NORTH CAROLINA
- Other _____ Citizenship _____

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)



4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) Text
77861913 PERFECT STORM
86146210 THE GOVERNOR

B. Trademark Registration No.(s)
3676263 (CONTINUED ON ATTACHED)

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

DORYMAN'S (CONTINUED ON ATTACHED)

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

Name: TIM WALKER

Internal Address: HYLIND SEARCH CO.

Street Address: 245 W. CHASE STREET

City: BALTIMORE

State: MD Zip: 21201

Phone Number: 410-468-3333

Docket Number: _____

Email Address: tim@hylindsearch.com

6. Total number of applications and registrations involved:

19

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$490

- Authorized to be charged to deposit account
- Enclosed

TRADEMARK PROCESS RECEIVED

8. Payment Information:

11/27/2015 DTIMBERL 000011013676263
 Deposit Account Number _____
 Authorized User Name _____
 US PATENT TRADEMARK OFFICE

9. Signature:

Signature

11/13/15

Date

Tim P. Walker

Name of Person Signing

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

20

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK
REEL: 005677 FRAME: 0313

Item 4 Continued:

B. Trademark Registration Numbers	C. Identification/Description
3945729	THE MOTHER OF ALL STORMS
4104207	PELICAN PUB & BREWERY
4098067	PELICAN PUB & BREWERY
3786753	TSUNAMI
4104711	INDIA PELICAN
4076967	KIWANDA
4298773	PELICAN PUB & BREWERY
4298772	PELICAN PUB & BREWERY
4295334	NESTUCCA ESB
4333936	PELICAN BREWING COMPANY
4289123	SILVERSPOT
4376242	PELICAN PUB & BREWERY
4379714	PELICAN PUB & BREWERY
4384065	PELICAN PUB & BREWERY
4494513	IMPERIAL PELICAN

SECURITY AGREEMENT

This Security Agreement (hereinafter called "Agreement") is between Pelican Brewing Company (hereinafter called "Debtor") and LIVE OAK BANKING COMPANY (hereinafter called "Secured Party").

1. Grant of Security Interest. Subject to the terms and conditions of this Agreement, Debtor, for consideration, and to secure the full and prompt payment, observance and performance when due of all present and future obligations and indebtedness of Debtor to Secured Party, whether at the stated time, by acceleration or otherwise, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, whether or not of the same or similar class or of like kind to any indebtedness incurred contemporaneously with the execution of this Agreement, and whether now or hereafter existing, or due or to become due, and whether such indebtedness from time to time is reduced and thereafter increased, or entirely extinguished and thereafter reincurred, including without limitation, the following:

(a) Any and all amounts owed by Debtor under, in connection with, and/or pursuant to the indebtedness evidenced by that certain variable rate promissory note of even date herewith, in the original principal sum of ONE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,800,000.00) (the "Note"), with interest thereon according to the provisions thereof, and all obligations thereunder, in connection therewith and/or pursuant to any and all agreements and other documents in connection therewith; and

(b) All sums advanced or expenses or costs paid or incurred (including without limitation reasonable attorneys' fees and other legal expenses) by Secured Party pursuant to or in connection with the Note or any other agreements and documents in connection therewith plus applicable interest on such sums, expenses or costs; and

(c) Any extensions, modifications, changes, substitutions, restatements, renewals or increases or decreases of any or all of the indebtedness referenced above; and

(d) Any and all other indebtedness, obligations and liabilities of any kind, of Debtor to Secured Party, now or hereafter existing, absolute or contingent, joint and/or several, due or not due, secured or unsecured, arising by operation of law or otherwise, direct or indirect, including without limitation indebtedness, obligations and liabilities of Debtor to Secured Party as a member of any partnership, syndicate or association or other group and whether incurred by Debtor as principal, surety, endorser, guarantor, accommodation party or otherwise, and any obligations which give rise to an equitable remedy for breach of performance if such breach gives rise to an obligation by Debtor to pay Secured Party.

Debtor hereby grants to Secured Party a shared first security interest in the collateral described in Schedule 1 to this Agreement and made a part hereof and the proceeds of such collateral (hereinafter collectively called the "Collateral").

2. Representations, Warranties and Covenants of Debtor. Debtor expressly represents, warrants and covenants as follows:

(a) The address appearing with Debtor's signature below is the address of Debtor's chief executive office or, if Debtor has no place of business, Debtor's residence. If the Collateral is not located at Debtor's address appearing below on Schedule 1, it will be located at 5 Grove Avenue, Tillamook, Oregon 97141 or wherever located.

(b) If Debtor does not keep the records concerning the Collateral and concerning accounts, general intangibles, mobile goods and contract rights at the address appearing below on Schedule 1, these records will be located at 5 Grove Avenue, Tillamook, Oregon 97141 or wherever located.

(c) Debtor will give Secured Party sixty (60) days prior written notice of any change in (i) Debtor's chief executive office (or, if Debtor has no place of business, Debtor's residence), the location of the Collateral or the location of the records described above, or (ii) the ownership of Debtor's business, (iii) the principals responsible for the management of Debtor's business, (iv) Debtor's corporate structure or identity, or (v) Debtor's name or trade name, or prior to commencing to use an assumed name not set forth in this Agreement.

(d) If any of the Collateral is to be or has been attached to real estate, the legal description of the real estate is attached to this Agreement as Schedule 2 and made a part hereof.

(e) If Debtor does not have a record interest in the real estate described above, the record owner is indicated on the attached Schedule 2.

(f) Without the prior written consent of Secured Party, Debtor will not move, sell, lease, permit any encumbrance on or otherwise dispose of the Collateral, other than its inventory in the ordinary course of its business. Notwithstanding the foregoing, Debtor may replace defective or unusable equipment with the written consent of Lender so long as the replacement equipment is of similar value and use. Debtor represents and warrants that Debtor is the sole owner of the Collateral, free and clear of all liens, charges, interests, and encumbrances, other than in favor of Secured Party, that no other person or other entity has any interest in the Collateral whatsoever, and that Debtor will defend same against all adverse claims and demands.

(g) Debtor will keep the Collateral insured by such companies, in such amounts and against such risks as shall be acceptable to Secured Party, with loss payable and additional insured clauses in favor of Secured Party as are satisfactory to Secured Party. Debtor will deposit such insurance policies with Secured Party. Debtor hereby assigns to Secured Party and grants to Secured Party a security interest in any return of unearned premium due upon cancellation of any such insurance and directs the insurer thereunder to pay to Secured Party all amounts so due. All amounts received by Secured Party in payment of insurance losses or return of unearned premium may, at Secured Party's option, be applied to the indebtedness by Secured Party, or all or any part thereof may be used for the purpose of repairing, replacing or restoring the Collateral. If Debtor fails to maintain satisfactory insurance, Secured Party shall have the option, but not the obligation, to obtain such insurance in such amounts as Secured Party deems

necessary, and Debtor agrees to repay, with interest at the highest rate applicable to any indebtedness which this Agreement secures, all amounts so expended by Secured Party.

(h) Secured Party shall not be deemed to have waived any of its rights in any Collateral unless such waiver is in writing and signed by an authorized representative of Secured Party. No delay or omission by Secured Party in exercising any of Secured Party's rights shall operate as a waiver thereof or of any other rights. Secured Party shall have, in addition to all other rights and remedies provided by this Agreement or applicable law, the rights and remedies of a secured party under the Uniform Commercial Code.

(i) Debtor will maintain the Collateral in good condition and repair and will pay promptly all taxes, levies, and encumbrances and all repair, maintenance and preservation costs pertaining to the Collateral. If Debtor fails to make such payments, Secured Party shall have the option, but not the obligation, to pay the same and Debtor agrees to repay, with interest at the highest rate applicable to any indebtedness which this Agreement secures, all amounts so expended by Secured Party. Debtor will at any time and from time to time, upon request of Secured Party, give any representative of Secured Party access during normal business hours to inspect the Collateral or the books and records thereof.

(j) Debtor agrees to pay to Secured Party on demand all expenses, including reasonable attorney fees and expenses, incurred by Secured Party in protecting or enforcing its rights in the Collateral or otherwise under this Agreement. After deducting all said expenses, the remainder of any proceeds of sale or other disposition of the Collateral shall be applied to the indebtedness due Secured Party in such order of preference as Secured Party shall determine.

(k) Debtor hereby agrees to faithfully preserve and protect Secured Party's security interest in the Collateral at all times, and further agrees to execute and deliver, from time to time, any and all further, or other, documents, instruments, continuation statements and perform or refrain from performing such acts, as Secured Party may reasonably request to effect the purposes of this Agreement and to secure to Secured Party the benefits of all the rights, authorities and remedies conferred upon Secured Party by the terms of this Agreement. Debtor shall permit, or cause to be permitted, at Debtor's expense, representatives of Secured Party to inspect and make copies of the books and records of Debtor relating to the Collateral at any reasonable time or times upon prior notice.

(l) Within one hundred twenty (120) days of Debtor's fiscal year end, Debtor and any individual guarantors shall furnish to Lender copies of their financial statements. Year-end financial statements shall all be prepared with reasonable detail and shall include verification of liquidity and a contingent liability statement. Debtor's financial statements shall be prepared and certified to by a duly authorized officer of Debtor to be correct and accurate. Debtor and any guarantors shall also furnish a copy of their income tax returns to Secured Party within thirty (30) days upon filing same and such other additional financial information as Secured Party may from time to time request.

3. Defaults. The occurrence of any of the following events shall constitute a default (hereinafter called "Default") hereunder:

(a) The failure of Debtor to make any payment on any indebtedness to Secured Party whether pursuant to the Note or any other obligation to Secured Party, or a default in any provision of the Note or any other agreement or document secured hereby or any other encumbrance or agreement securing the Note, which is not cured within any applicable cure period;

(b) The breach of or failure to perform promptly any obligation or covenant set forth in this Agreement or the breach or the failure to perform promptly any obligation or covenant set forth in the Note or any other agreement secured hereby or securing the Note, which is not cured within any applicable cure period;

(c) The suspension of business, insolvency, failure generally to pay debts as they became due, or the commission of any act constituting or resulting in a business failure, in each case on the part of Debtor's business; the concealment or removal of any substantial portion of Debtor's property with the intent to hinder, delay or defraud any one or more creditors, or the making of any other transfer which is fraudulent or otherwise voidable under the Bankruptcy Code or other applicable federal or state law; the existence or creation of any lien, including without limitation any tax or judgment lien, upon the Collateral or any substantial part of Debtor's property; an assignment for the benefit of creditors; the commencement of any proceedings by or against Debtor (under the Bankruptcy Code or otherwise) seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or seeking the appointment of a receiver, trustee or custodian for Debtor or for the Collateral or a substantial part of the property of Debtor; or the institution by Debtor or any other person or entity of any liquidation, dissolution or reorganization proceedings with respect to Debtor;

(d) The failure to effectively and promptly discharge, stay or indemnify against, to Secured Party's satisfaction, any lien or attachment against any of Debtor's property or the Collateral;

(e) Any representation or warranty contained herein or in any other document delivered by or on behalf of Debtor to Secured Party shall be false or misleading when made;

(f) If Secured Party, in good faith, believes the prospect of payment secured by this Agreement is impaired, or believes that any of the Collateral is in danger of loss, misuse, seizure or confiscation;

(g) Any guaranty of the obligations described herein ceases to be effective, except pursuant to a written release from Secured Party, or any guarantor denies liability thereunder, or one of the events described in Paragraph 3(c) hereof occurs with respect to any guarantor, or any default occurs under any such guaranty;

(h) If Debtor is a corporation, the occurrence of any of the following without the Secured Party's written consent: the sale, pledge or assignment by the shareholders of Debtor of any outstanding stock of Debtor; the transfer of Debtor's assets not in the ordinary course of Debtor's business; the merger or consolidation of Debtor with another company or entity; the change of the Debtor's name; the liquidation of Debtor; or the issuance by Debtor of any new stock or warrants, or the transfer of issued and outstanding treasury stock or warrants of Debtor. If Debtor is a limited liability company, the sale, pledge, transfer or assignment of any of the members of Debtor of any of their interest in Debtor, or the withdrawal or the admittance of any members into Debtor without the prior written consent of Secured Party. If Debtor is a partnership or joint venture, the occurrence of any of the following without Secured Party's written consent: the sale, pledge, transfer or assignment by any of the partners or joint ventures of Debtor of any of their partnership or joint venture interest in Debtor; the withdrawal of any general partner(s) or joint venturer(s); or the admittance of any additional partner(s) or joint venturer(s) into Debtor;

(i) The occurrence of any default or event of default under any other document or agreement securing or guaranteeing any of the obligations secured by the Agreement; or the occurrence of any default or event of default due to any material indebtedness or obligation of Debtor to any third party that causes such third party to declare such indebtedness or other obligation due prior to its scheduled date of maturity; or

(j) The occurrence of any default or event of default under or with respect to any obligation of Debtor to any affiliate of Secured Party (for the purposes of this subparagraph, "affiliate" is defined as LIVE OAK BANKING COMPANY or any entity owned or controlled, directly or indirectly, by LIVE OAK BANKING COMPANY).

4. Remedies.

(a) Upon the occurrence of any default under this Agreement, Secured Party is authorized in its discretion to declare any or all of the indebtedness to be immediately due and payable without demand or notice to Debtor, and may exercise any one or more of the rights and remedies granted pursuant to this Agreement or given to a secured party under applicable law, including without limitation the Uniform Commercial Code, such rights and remedies to include without limitation the right to take possession and sell, lease or otherwise dispose of the Collateral. If reasonable notice of any disposition of Collateral or other enforcement is required, such requirement will be met if such notice is mailed, postage pre-paid, to the address of Debtor shown below Debtor's signature on this Agreement at least fifteen (15) days prior to the time of disposition or other enforcement. Debtor agrees that upon demand by Secured Party after default, Debtor will promptly assemble the Collateral and make the Collateral available to Secured Party at a place convenient to Secured Party.

(b) Debtor agrees that all of the Collateral and all of the other security which may be granted to Secured Party in connection with the obligations secured hereby constitute equal security for all of the obligations secured hereby, and agrees that Secured Party shall be entitled to sell, retain or otherwise deal with any or all of the Collateral, in any order or simultaneously as Secured Party shall determine in its sole and absolute discretion, free of any requirement for the

marshaling of assets or other restriction upon Secured Party in dealing with the Collateral or such other security.

(c) Upon the occurrence of any default under this Agreement, Debtor hereby irrevocably constitute and appoints Secured Party (and any employee or agent of Secured Party) as Debtor's true and lawful attorney-in-fact with full power of substitution, in Secured Party's name or Debtor's name or otherwise, for Secured Party's sole use and benefit, at Debtor's cost and expense, to exercise the following powers with respect to the Collateral:

1. To demand, sue for collection, receive, and give acquittance for any and all monies due or owing with respect to the Collateral;
2. To receive, take, endorse Debtor's name on, assign and deliver any checks, notes, drafts, documents or other instruments taken or received by Secured Party in connection with the Collateral;
3. To settle, compromise, prosecute, or defend any action or proceeding with respect to the Collateral;
4. To sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds thereof, as fully as if Secured Party were the absolute owner thereof;
5. To sign Debtor's name to and file financing statements or such other documents and instruments as Secured Party may deem appropriate; and
6. To take any and all action that Secured Party deems necessary or proper to preserve its interest in the Collateral, including without limitation, the payment of debts of Debtor that might impair the Collateral or Secured Party's security interest therein, the purchase of insurance on the Collateral, the repair or safeguard of the Collateral, or the payment of taxes thereon; and
7. To notify account debtors of Secured Party's security interest in Debtor's accounts and to instruct them to make payment directly to Secured Party.

(d) Debtor agrees that the powers of attorney granted herein are coupled with an interest and shall be irrevocable until full, final and irrevocable payment and performance of the indebtedness secured hereby; and that neither Secured Party nor any officer, director, employee or agent of Secured Party shall be liable for any act or omission, or for any mistake or error of judgment, in connection with any such powers.

(e) Notwithstanding the foregoing, Secured Party shall be under no duty to exercise any such powers, or to collect any amount due on the Collateral, to realize on the Collateral, to keep the Collateral, to make any presentment, demand or notice of protest in connection with the Collateral, or to perform any other act relating to the enforcement, collection or protection of the Collateral.

(f) This Agreement shall not prejudice the right of Secured Party at its option to enforce the collection of any indebtedness secured hereby or any other instrument executed in connection with this transaction, by suit or in any other lawful manner. No right or remedy is intended to be exclusive of any other right or remedy, but every such right or remedy shall be cumulative to every other right or remedy herein or conferred in any other agreement or document for the benefit of Secured Party, or now or hereafter existing at law or in equity.

(g) Any action or proceeding to enforce this Agreement may be taken by Secured Party either in Debtor's name or in Secured Party's name, as Secured Party may deem necessary.

(h) All rights of marshaling of assets of Debtor, including any such right with respect to the Collateral, are hereby waived by Debtor.

5. Remedies Cumulative; Delay Not Waiver.

(a) No right, power or remedy herein conferred upon or reserved to Secured Party hereunder is intended to be exclusive of any other right, power or remedy, and every such right, power and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right, power and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. Resort to any or all security now or hereafter held by Secured Party, may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both.

(b) No delay or omission of Secured Party to exercise any right or power accruing upon the occurrence and during the continuance of any Default as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Default or an acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time, and as often as shall be deemed expedient, by Secured Party.

6. Further Assurances; Certain Waivers.

(a) Debtor agrees that from time to time, at the expense of Debtor, Debtor shall promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect the assignment and security interest granted or intended to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Debtor shall: (i) if any Collateral shall be evidenced by a promissory note or other instrument, deliver and pledge to Secured Party such note or instrument duly endorsed (without recourse) and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Secured Party; and (ii) execute and file such financing statements or continuation statements, or amendments thereto, and such other instruments, endorsements or notices, as may be reasonably necessary or desirable, or as Secured Party may reasonably request, in order to perfect and preserve the assignments and security interests granted or purported to be granted hereby.

(b) Debtor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral

without the signature of Debtor where permitted by law. Copies of any such statement or amendment thereto shall promptly be delivered to Debtor.

(c) Debtor shall pay all filing, registration and recording fees or re-filing, re-registration and re-recording fees, and all reasonable expenses incident to the execution and acknowledgment of this Agreement, any assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imports, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, any agreement supplemental hereto and any instruments of further assurance.

(d) Debtor hereby waives, to the maximum extent permitted by law (i) all rights under any law limiting remedies, including recovery of a deficiency, under an obligation secured by a mortgage on real property if the real property is sold under a power of sale contained in the mortgage, and all defenses based on any loss whether as a result of any such sale or otherwise; (ii) all rights under any law to require Secured Party to pursue any other person, any security which Secured Party may hold, or any other remedy before proceeding against Debtor; (iii) all rights to participate in any security held by Secured Party until the Obligations have been paid in full; and (iv) all rights to require Secured Party to give any notices of any kind including, without limitation, notices of nonpayment, nonperformance, protest, dishonor, default, delinquency or acceleration, or to make any presentments, demands or protests, except as expressly provided in this Agreement, Secured Party shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to this Agreement conducted in a commercially reasonable manner. Debtor hereby waives any claims against Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have obtained at a public sale or was less than the aggregate amount of the Obligations, even if Secured Party accepts the first offer received and does not offer the Collateral to more than one offeree, provided that such private sale is conducted in a commercially reasonable manner.

7. Miscellaneous.

(a) This Agreement and the security interest in the Collateral created hereby shall terminate when the Obligations and indebtedness hereunder have been fully, finally and irrevocably paid and all other obligations of Debtor to Secured Party have been performed in full. Prior to such termination, this shall be a continuing agreement.

(b) This Agreement and Note will be governed by, construed and enforced in accordance with federal law and the laws of the State of Georgia.

(c) DEBTOR AND SECURED PARTY BY ACCEPTANCE OF THIS AGREEMENT, EACH HEREBY WAIVE, TO THE EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY ACTION UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, AND IN NO EVENT SHALL SECURED PARTY BE LIABLE FOR PUNITIVE OR CONSEQUENTIAL DAMAGES.

(d) This Agreement shall inure to the benefit of Secured Party, its successors and assigns and to any other holder who derives from Secured Party title to or an interest in the

indebtedness which this Agreement secures, and shall be binding upon Debtor, its successors and assigns.

(e) In case any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been included.

(f) Any provision to the contrary notwithstanding contained herein or in the Note or in any other instrument now or hereafter evidencing, securing or otherwise relating to any secured indebtedness, neither Secured Party nor any other holder of the secured indebtedness shall be entitled to receive or collect, nor shall Debtor be obligated to pay, interest on any of the secured indebtedness in excess of the maximum rate of interest at the particular time in question, if any, which, under applicable law, may be charged to Debtor (herein the "Maximum Rate"), provided that the Maximum Rate shall be automatically increased or decreased, as the case may be, without notice to Debtor from time to time as of the effective time of each change in the Maximum Rate, and if any provision herein or in the Note or in such other instrument shall ever be construed or held to permit the collection or to require the payment of any amount of interest in excess of that permitted by applicable law, the provisions of this paragraph shall control and shall override any contrary or inconsistent provision herein or in the Note or in such other instrument. The intention of the parties being to conform strictly to the usury limitations under applicable law, the Note, this Agreement, and each other instrument now or hereafter evidencing or relating to any secured indebtedness shall be held subject to reduction to the amount allowed under said applicable law as now or hereafter construed by the courts having jurisdiction.

(g) All notices pursuant to this Security Agreement shall be in writing and shall be directed to the addresses set forth below or such other address as may be specified in writing, by certified or registered mail, return receipt requested by the party to which or whom notices are to be given. Notices shall be deemed to be given three (3) days after mailing by depositing same in any United States post office station or letter box in a post-paid envelope.

(h) The singular used herein shall include the plural.

(i) If more than one party shall execute this Agreement as "Debtor", the term "Debtor" shall mean all such parties executing this Agreement, and all such parties shall be jointly and severally obligated hereunder.

(j) A photocopy or other reproduction of this Agreement or of any financing statement is sufficient as a financing statement and may be filed as a financing statement in any government office.

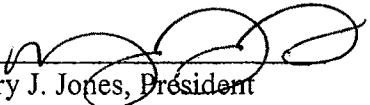
(k) THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date written below.

Dated: 30 day of Oct, 2015.

DEBTOR:

Pelican Brewing Company

By: 
Mary J. Jones, President

[CORPORATE SEAL]

Address of Debtor:

P.O. Box 189
Pacific City, OR 97135

SCHEDULE 1
(All Property)

This is Schedule 1 to the Security Agreement dated 10-30, 2015 between LIVE OAK BANKING COMPANY ("Secured Party") and Pelican Brewing Company (the "Debtor").

Debtor hereby grants a shared first security interest in all of the following property of the Debtor, whether now owned or hereafter acquired or arising, wherever located, including without limitation, located at 5 Grove Avenue, Tillamook, Oregon 97141:

- a. All rights of the Debtor to payment for goods sold or leased, or to be sold or to be leased, or for services rendered, howsoever evidenced or incurred, including, without limitation, all accounts, instruments, chattel paper and general intangibles, all returned or repossessed goods and all books, records, including, but not limited to, Debtor's client records, computer tapes, programs, and ledger books arising therefrom or relating thereto, whether now owned or hereafter acquired or arising.
- b. All inventory of Debtor, whether now owned or hereafter acquired, wherever located, including, without limitation, all goods of Debtor held for sale or lease or furnished or to be furnished under contracts of service, all goods held for display or demonstration, goods on lease or consignment, returned and repossessed goods, all raw materials, work-in-progress, finished goods and supplies used or consumed in Debtor's business, together with all returns, repossessions, substitutions, replacements, parts, additions, accessions and all documents, documents of title, dock warrants, dock receipts, warehouse receipts, bills of lading or orders, for the delivery of all, or any portion, of the foregoing.
- c. All equipment of the Debtor, including, without limitation, all machinery, furniture, furnishings, leasehold improvements, fixtures, forklifts, dies and tools and personal property of any kind of Debtor, together with all accessories and attachments thereto, all replacements and substitutes used or useful in the Debtor's business, whether now owned or hereafter acquired or arising. Some of the foregoing are or may become fixtures affixed to the real property described herein.
- d. All of Debtor's present and future right, title and interest in and to all contracts, agreements, plans, governmental authorizations, consents, licenses, approvals, including but not limited to, those trademarks listed on **Exhibit "B"**, permits and other documents that concern or relate to the business of the Debtor.
- e. All property of Debtor left with Secured Party or in its possession now or hereafter and any balance or deposit account of Debtor and all drafts, checks and other items deposited in or with Secured Party by Debtor for collection or safekeeping, with full authority given Secured Party, upon the occurrence of any Event of Default as set forth in the various loan documents between Debtor and Secured Party, to charge any or all such indebtedness of Debtor without notice or demand against any obligation secured hereby.

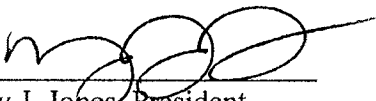
- f. All general intangibles now owned or hereafter acquired by the Debtor.
 - g. All products and proceeds (including insurance proceeds, pre-petition and post-petition bankruptcy proceeds) arising from or in any way relating to any or all of the collateral described above.
3. Debtor represents and warrants the following:
- a) The Debtor, Pelican Brewing Company, is a limited liability company existing and organized in the State of Georgia. The Debtor's mailing address is P.O. Box 189, Pacific City, OR 97135.
 - b) "Pelican Brewing Company" is the correct legal name of the Debtor indicated on the public records of the Debtor's jurisdiction of organization that shows the Debtor to be organized.
4. Debtor covenants the following so long as any of the Obligations shall remain outstanding and unless Secured Party shall otherwise consent in writing:
- a) The Debtor shall not merge or consolidate into, or transfer of any of the Collateral to any other Person.
 - b) The Debtor shall not change its name unless it has given the Secured Party thirty (30) days' prior written notice thereof and executed or authorized, at the request of the Secured Party, such additional financing statements to be filed in such jurisdictions as the Secured Party may deem necessary or desirable in its sole discretion.
 - c) The Debtor shall, at any time and from time to time, whether or not the Official Text of Revised Article 9, 2000 Revision, of the Uniform Commercial Code promulgated by the American Law Institute and the National Conference of Commissioners on Uniform State Laws or a version thereof ("Uniform Revised Article 9") has been adopted in any particular jurisdiction, take such steps as the Secured Party may reasonably request for the Secured Party (i) to obtain an acknowledgment, in form and substance reasonably satisfactory to the Secured Party, of any bailee having possession of any of the Collateral, stating that the bailee holds possession of such Collateral on behalf of the Secured Party, (ii) to obtain "control" of any investment property, deposit accounts, letter-of-credit rights, or electronic chattel paper (as such terms are defined by Revised Article 9 with corresponding provisions thereof defining what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance reasonably satisfactory to the Secured Party, and (iii) otherwise to insure the continued perfection and priority of the Secured Party's security interest in any of the Collateral and of the preservation of its rights therein, whether in anticipation of or following the effectiveness of Revised Article 9 in any jurisdiction. If the Debtor shall at any time, whether or not Uniform Revised Article 9 has been adopted in any particular jurisdiction, acquire a "commercial tort claim" (as such term is defined in

Revised Article 9) [with a claim for damages in excess of \$1,000,000], the Debtor, as the case may be, shall promptly notify the Secured Party thereof in writing, providing a reasonable description and summary thereof, and shall execute a supplement to this Security Agreement granting a security interest in such commercial tort claim to the Secured Party.

5. The Debtor hereby authorizes Secured Party, its counsel or its representative, at any time and from time to time, to file without the signature of the Debtor, as permitted by law, financing statements and amendments that describe the collateral covered by such financing statements as "all assets of the Debtor", "all personal property of the Debtor" or words of similar effect, in such jurisdictions as the Agent may deem necessary or desirable in order to perfect the security interests granted by the Debtor under this Security Agreement.
6. It is a default of the Loan if any one or more of the following events occur (an "Event of Default") under this Agreement: (a) failure of the Debtor to pay any of the Debtor's liabilities as and when due and payable, after giving effect to any applicable grace period; (b) failure of the Debtor to perform, observe, or comply with any of the provisions of this Agreement or of any of the other Loan Documents, after giving effect to any applicable grace period; (c) the occurrence of an Event of Default (as defined therein) under any of the other Loan Documents; (d) any information contained in any financial statement, application, schedule, report, or any other document given by the Debtor or by any other person in connection with the Debtor's liabilities, with the Collateral, or in any of the Loan Documents, is not in all material respects true and accurate or the Debtor or such other person omitted to state any material fact or any fact necessary to make such information not misleading; (e) the Debtor is generally not paying debts as such debts become due; (f) the filing of any petition for relief under any provision of the Federal Bankruptcy Code or any similar state law is brought by or against the Debtor; (g) an application for the appointment of a receiver for, the making of a general assignment for the benefit of creditors by or the insolvency of, the Debtor, which is not discharged within thirty (30) days; (h) the dissolution, merger, consolidation, or reorganization of the Debtor; (i) suspension of the operation of the Debtor's present business; (j) the determination in good faith by the Secured Party that a material adverse change has occurred in the financial condition of the Debtor from the condition set forth in the most recent financial statement of the Debtor heretofore furnished to the Secured Party, or from the financial condition of the Debtor as heretofore most recently disclosed to the Secured Party in any other manner; or (k) any amendment to or termination of a financing statement naming the Debtor as debtor and the Secured Party as secured party, or any correction statement with respect thereto, is filed in any jurisdiction by any party other than the Secured Party or its counsel without the prior written consent of the Secured Party.

[SIGNATURES ARE ON NEXT PAGE]

Pelican Brewing Company

By: 
Mary J. Jones, President

[CORPORATE SEAL]

Address of Debtor:

P.O. Box 189
Pacific City, OR 97135

SCHEDULE 2

(Legal Description of Property)

This is Schedule 2 to the Security Agreement dated 10-30, 2015 between LIVE OAK BANKING COMPANY ("Secured Party") and Pelican Brewing Company (the "Debtor").

5 Grove Avenue, Tillamook, Oregon 97141, a location legally described on attached **Exhibit "A"**.

Record owner of Property described in **Exhibit "A"**: Pelican Brewing Company



EXHIBIT "A"

A tract of land in the Southeast quarter of the Northeast quarter of Section 25, Township 1 South, Range 10 West of the Willamette Meridian in Tillamook County, Oregon, said tract being Lots 3 and 4 and portions of Lots 5 & 6, and adjoining aliquot portions of vacated alleys, in Block 3, TOWN OF LINCOLN (now Tillamook City), said tract being described as follows:

Beginning at a point on the West line of Lot 5, Block 3, TOWN OF LINCOLN (now Tillamook City), said point being North $0^{\circ} 03' 00''$ East 56.40 feet from the Southwest corner, thereof; thence South $89^{\circ} 57' 00''$ East 25.00 feet; thence North $0^{\circ} 03' 00''$ East 8.90 feet; thence South $89^{\circ} 57' 00''$ East 80.00 feet, to the centerline of the vacated alley between Lots 6 and 7, Block 3, TOWN OF LINCOLN (now Tillamook City), Block 3, TOWN OF LINCOLN (now Tillamook City); thence North $0^{\circ} 03' 00''$ East 144.70' along the centerline of the vacated alley between Lots 6 and 7 and Lots 2 and 3, to the North line of Block 3, TOWN OF LINCOLN (now Tillamook City), Block 3, TOWN OF LINCOLN (now Tillamook City); thence North $89^{\circ} 57' 00''$ West 105.00 feet, along the North line of said Block 3, to the Northwest corner of Block 3; thence South $0^{\circ} 03' 00''$ West 153.60' feet, to the point of beginning.



EXHIBIT "B"

PELICAN BREWING COMPANY -- trademark registration status chart as of 24 July 2015

Docket No.	Mark	Filing Basis	Goods and/or Services	Serial No./ Filing Date	Registration No./ Registration Date	Status
58999.1000	DORYMAN'S	Actual use	Alcoholic beverage, namely, beer	77673803 02/19/09	3676263 09/01/2009	REGISTERED. Section 8 and 9 affidavits due 9/1/19.
58999.1100	THE MOTHER OF ALL STORMS	Actual use	Beer, ale and lager	77924303 01/30/10	3945729 04/12/2011	REGISTERED. Section 8 and 15 affidavits due 4/12/17, renewal due 4/12/21
58999.1200		Actual use	Beer, ale and lager; bar and restaurant services	85214115 01/10/11	4104207 02/28/2012	REGISTERED. Section 8 and 15 affidavits due 2/28/18, renewal due 2/28/22
58999.1300	PELICAN PUB & BREWERY	Actual use	Beer, ale and lager; bar and restaurant services	85213110 01/07/11	4098067 02/14/2012	REGISTERED. Section 8 and 15 affidavits due 2/14/18, renewal due 2/14/22
58999.1400	PERFECT STORM	Actual use	Bottled beer	77861913 10/30/09	N/A	ABANDONED as part of Perfect Storm litigation settlement
58999.1500	TSUNAMI	Actual use	Alcoholic beverage, namely, beer	77673788 02/19/09	3786753 05/11/2010	REGISTERED. Renewal due 5/11/20
58999.1600	INDIA PELICAN	Actual use	Beer, ale and lager	85323409 05/17/11	4104711 02/28/2012	REGISTERED. Section 8 and 15 affidavits due 2/28/18, renewal due 2/28/22
58999.1700	MACPELICAN'S	Actual use	Beer, ale and lager	85323396 05/17/11	4104710 02/28/2012	REGISTERED. Section 8 and 15 affidavits due 2/28/18, renewal due 2/28/22
58999.1800	KIWANDA	Actual use	Beer, ale and lager	85323393 05/17/11	4076967 12/27/11	REGISTERED. Section 8 and 15 affidavits due 12/27/17, renewal due 12/27/21
58999.1900	PELICAN PUB & BREWERY	Intent to use	Chili; Chowder; Soups; Packaged, prepared entrees consisting primarily of meat, fish, poultry or vegetables; and Salad dressings	85323378 05/17/11	4298773 3/5/2013	REGISTERED. Section 8 and 15 affidavits due 3/5/19, renewal due 3/5/23
58999.2000		Intent to use	Chili; Chowder; Soups; Packaged, prepared entrees consisting primarily of meat, fish, poultry or vegetables; and Salad dressings	85323364 05/17/11	4298772 3/5/2013	REGISTERED. Section 8 and 15 affidavits due 3/5/19, renewal due 3/5/23
58999.2100	NESTUCCA ESB	Actual use	Beer, ale and lager	85662263 06/26/12	4295334 2/26/2013	REGISTERED. Section 8 and 15 affidavits due 2/26/19, renewal due 2/26/23
58999.2200	PELICAN BREWING COMPANY	Intent to use	Beer, ale and lager	85662215 06/26/12	4333936 05/14/13	REGISTERED. Section 8 and 15 affidavits due 5/14/19, renewal due 5/14/23
58999.2300	SILVERSPOT	Actual use	Beer, ale and lager	85679649 07/17/12	4289123 02/12/2013	REGISTERED. Section 8 and 15 affidavits due 2/12/19, renewal due 2/12/23

Pelican Brewing Company Trademark Registration Status Chart as of 24Jul15 (1).xls

EXHIBIT "B" (continued)

58999.2400	PELICAN PUB & BREWERY	Actual use	Coffee	85806996 12/19/12	4376242 7/30/2013	REGISTERED. Section 8 and 15 affidavits due 7/30/19, renewal due 7/30/23
58999.2500		Actual use	Coffee	85807029 12/19/12	4379714 8/6/2013	REGISTERED. Section 8 and 15 affidavits due 8/6/19, renewal due 8/6/23
58999.2600		Actual Use	Beer, ale and lager	85863585 2/28/13	4384065 8/13/2013	REGISTERED. Section 8 and 15 affidavits due 8/13/19, renewal due 8/13/23
58999.2700	IMPERIAL PELICAN	Actual use	Beer, ale and lager	86010763 7/15/13	4494513 3/11/14	REGISTERED. Section 8 & 15 affidavits due 3/11/20, renewal due 3/11/24
58999.2800	THE GOVERNOR	Intent to use	Beer, ale and lager	86146210 12/17/13	N/A	ABANDONED. Examination received 3/25/14 refusing registration based on existing registration for THE GOVERNOR for wine. Per client instructions, no response filed and application allowed to lapse