

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

ETAS ID: TM415522

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Old Line Spirits, LLC		12/19/2016	Limited Liability Company: MARYLAND
RECEIVING PARTY DATA			
Name:	Live Oak Banking Company		
Street Address:	1741 Tiburon Drive		
City:	Wilmington		
State/Country:	NORTH CAROLINA		
Postal Code:	28403		
Entity Type:	Corporation: NORTH CAROLINA		
PROPERTY NUMBERS Total: 9			
Property Type	Number	Word Mark	
Serial Number:	86796354		
Serial Number:	86452288	OLD LINE SPIRITS	
Serial Number:	86800344	OLD LINE	
Serial Number:	86903983	OLD LINE BALTIMORE, MD	
Serial Number:	86800408	OLD LINE BALTIMORE, MD	
Serial Number:	86800330	SOME STORIES ARE BETTER OVER WHISKEY	
Serial Number:	86796307	OLD LINE BALTIMORE, MD	
Serial Number:	86790390		
Serial Number:	86790343		
CORRESPONDENCE DATA			
Fax Number:	9013747565		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	9015214592		
Email:	ctwombly@evanspetree.com		
Correspondent Name:	Evans Petree PC		
Address Line 1:	1000 Ridgeway Loop Rd, Ste 200		
Address Line 2:	Corey Twombly		
Address Line 4:	Memphis, TENNESSEE 38120		

OP \$240.00 86796354

NAME OF SUBMITTER:	Corey Twombly
SIGNATURE:	/Corey Twombly/
DATE SIGNED:	02/09/2017
Total Attachments: 13 source=8. Security Agreement#page1.tif source=8. Security Agreement#page2.tif source=8. Security Agreement#page3.tif source=8. Security Agreement#page4.tif source=8. Security Agreement#page5.tif source=8. Security Agreement#page6.tif source=8. Security Agreement#page7.tif source=8. Security Agreement#page8.tif source=8. Security Agreement#page9.tif source=8. Security Agreement#page10.tif source=8. Security Agreement#page11.tif source=8. Security Agreement#page12.tif source=8. Security Agreement#page13.tif	

SECURITY AGREEMENT

This Security Agreement, entered into this 19th day of December, 2016, by and between OLD LINE SPIRITS, LLC, a Maryland limited liability company, whose address is 4201 E. Pratt Street, Baltimore, Maryland 21224 (the "Grantor"), and LIVE OAK BANKING COMPANY, a North Carolina banking corporation, with an address of 1741 Tiburon Drive, Wilmington, North Carolina 28403 ("Creditor");

WITNESSETH:

That for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor hereby agrees with Creditor as follows:

1. Definitions. All terms used in this Security Agreement which are defined in Article 9 of the Uniform Commercial Code (the "Code") of North Carolina and which are not otherwise defined herein shall have the same meanings herein as set forth therein.

2. Grant of Security Interest. As collateral security for all of the obligations (as defined in Section 3 hereof), the Grantor hereby pledges and assigns to Creditor, and grants to Creditor a continuing security interest in the following (the "Collateral");

(a) All of the Grantor's machinery, tools, equipment, furniture, furnishings and fixtures, of every kind and nature, movable or immovable, wherever located and whether now or hereafter existing, and all parts thereof and replacements, additions, and accessions thereto (the "Equipment");

(b) All of Grantor's inventory in all of its forms, wherever located, now owned or hereafter existing ("Inventory");

(c) All of the Grantor's accounts, accounts receivable, chattel paper, instruments and other obligations of any kind, whether or not evidenced by an instrument or chattel paper, and whether or not it has been earned by performance (collectively hereinafter referred to as "Accounts Receivable" or "Receivables") whether now or hereafter existing, arising out of or in connection with the sale or lease of goods or the rendering of services or otherwise, and all rights now or hereafter existing in and to all security agreements, leases and other contracts securing or otherwise relating to any such Accounts Receivable;

(d) All claims for tax refund, whether now existing or hereafter arising, of the Grantor against any city, county, state or federal government or any agency or authority or other subdivision thereof, and the proceeds thereof;

(e) All of Grantor's contract rights and general intangibles ("General Intangibles") of every kind, character and description, both now owned and hereafter acquired,

including, without limitation, goodwill, trademarks, trade styles, trade names, patents, patent applications and deposit accounts;

(f) All of the Grantor's drawings, designs, blueprints and sketches, used or usable in connection with Grantor's business; all customer lists, ledger and account cards, computer tapes, discs and printouts, and books and records of Grantor (including customer lists, files, correspondence, tapes, computer programs, print-outs, and other computer materials and records); and any and all other properties and assets of Grantor of whatever nature, tangible or intangible, wherever located and whether now or hereafter existing;

(g) [INTENTIONALLY OMITTED];

(h) All Instruments and all Investment Property, including Securities, whether certificated or un-certificated, and all securities entitlements, whether now owned or hereafter acquired;

(i) All proceeds ("Proceeds") of any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Creditor is the loss payee thereof), any indemnity, warranty, or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral. (Although proceeds are covered, Creditor does not authorize the sale or other transfer of any of the Collateral or the transfer of any interest in the Collateral, except for the sale of goods in the ordinary course of Grantor's business);

in each case, whether now owned or hereafter acquired by the Grantor and howsoever its interest therein may rise or appear (whether by ownership, lease, security interest, claim, or otherwise). The Collateral described in clauses (a), (b) and (f) of this Section are sometimes hereinafter called the "Tangible Collateral".

Notwithstanding the foregoing, the term "Collateral" as used herein shall not include the excluded collateral ("Excluded Collateral") as described on Exhibit A attached hereto.

3. Security for Obligations. The security interest created hereby in the Collateral constitutes continuing collateral security for all of the following obligations, whether now existing or hereafter incurred (the "Obligations");

(a) The full and prompt payment, when due, of the indebtedness evidenced by that certain promissory note (the "Note") of even date herewith in the principal sum of One Million Five Hundred Twenty-Seven Thousand Five Hundred Dollars (\$1,527,500.00) executed by Grantor and payable to the order of Creditor, and any and all renewals, modifications, and extensions thereof, in whole or in part;

(b) The due performance and observance by the Grantor of all of its covenants, agreements, representations, liabilities, obligations, and undertakings as set forth herein, or in any other instrument or document which now or at any time hereafter evidences or

secures, in whole or in part, all or any part of the Obligations hereby secured, including but not limited to that certain Loan Agreement of even date (the "Loan Agreement") between Grantor and Creditor; and

(c) The prompt payment and performance of any and all other present and future indebtednesses, liabilities and obligations of Grantor to Creditor of every kind, character, and description, whether now existing or hereafter created or arising, whether absolute or contingent, due or to become due, joint or several, matured or unmatured, direct or indirect, primary of secondary.

4. Warranties and Representations. Grantor warrants and represents to, and agrees with, Creditor as follows:

(a) The Grantor's chief place of business and chief executive office, the place where the Grantor keeps its records concerning Accounts Receivable are located at the address specified for the Grantor in the initial paragraph hereof. None of the Accounts Receivable is evidenced by a promissory note or other instrument.

(i) The Grantor owns the Collateral free and clear of any lien, security interest or other charge or encumbrance except for the security interest or other charge or encumbrance created by this Agreement.

(ii) Except for the financing statements filed in favor of Creditor relating to this Agreement, no other financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office.

(b) The exercise by Creditor of its rights and remedies hereunder will not contravene any law or governmental regulation or any contractual restriction binding on or affecting the Grantor or any of its properties and will not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or other regulatory body is required either for the grant by the Grantor of the security interest created hereby in the Collateral or for the exercise by Creditor of its rights and remedies hereunder.

(d) This Agreement creates a valid security interest in favor of the Creditor in the Collateral. The filing of financing statements with the Maryland Secretary of State will perfect and establish the priority of the Creditor's security interest hereunder in the Collateral, subject to no other liens and encumbrances. Except as set forth in this Section 4(e), no action is necessary or desirable to perfect or otherwise protect such security interest.

5. Covenants as to the Collateral: So long as any of the Obligations shall remain outstanding, unless Creditor shall otherwise consent in writing:

(a) Further Assurances. The Grantor will at its expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that Creditor deems necessary or desirable or that Creditor may request in order (i) to perfect and protect the security interest created or purported to be created hereby; (ii) to enable Creditor to exercise and enforce its rights and remedies hereunder in respect of the Collateral; or (iii) to otherwise effect the purposes of the this Agreement, including without limitation (A) executing and filing such financing or continuation statements, or amendments thereto, as Creditor deems necessary or desirable to that Creditor may request in order to perfect and preserve the security interest create or purported to be created hereby; and (B) furnishing to Creditor from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Creditor may reasonably request, all in reasonable detail.

(b) Location of Inventory. The Grantor will keep all of the Inventory, both now owned and hereafter acquired, at the locations to which Creditor shall consent in writing in advance of placing Inventory at such locations from time to time, including but not limited to the following:

- (i) Middle West Spirits, LLC
1230 Courtland Avenue
Columbus, OH 43201
- (ii) Old Line Spirits, LLC
4201 E. Pratt Street
Baltimore, MD 21224

(c) Taxes. The Grantor shall pay promptly before delinquent all property taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials, and supplies) against, the Collateral, except to the extent the validity thereof is being contested diligently and in good faith by proper proceedings satisfactory to the Creditor.

(d) Insurance. The Grantor will, at its own expense, maintain insurance with respect to the Inventory in such amounts, against such risks, in such form and with such insurers, as shall be satisfactory to Creditor from time to time.

(e) As to Receivables and General Intangibles.

(i) The Grantor will (A) keep Grantor's chief place of business and chief executive office and all documents which constitute or create General Intangibles, at the location(s) specified in paragraph 4(a) hereof, and (B) maintain and preserve complete and accurate records concerning the and the Receivables, and the General Intangibles.

(ii) As of the time any receivable becomes subject to the security interest granted by this Security Agreement, including, without limitation, as of each time any specific assignment or transfer or identification is made to Creditor of any Receivable, Grantor shall be deemed to have warranted as to each and all of such Receivables that each Receivable and all papers and documents relating thereto are genuine and in all respects what they purport to be; that each Receivable is valid and subsisting and arises out of a bona fide sale of goods sold and delivered, or in the process of being delivered, or out of and for services named in the Receivable; that the amount of the Receivable represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not disputed, and except for such normal cash discount is not subject to any setoffs, credits, deductions or counter-charges; that the Grantor is the owner thereof free and clear of all prior liens, except for the security interest in favor of Creditor; and that no surety bond was required or given in connection with said Receivable or the contracts or purchase orders out of which the same arose; and that Grantor has no notice of or reason to believe that the account debtor is subject to any pending bankruptcy proceeding, insolvency proceeding or operations of any creditors committee.

(iii) Creditor shall have the privilege at any time upon its request, of inspection during reasonable business hours of any of the business properties or premises of the Grantor and the books and records of the Grantor relating to said Receivables and Inventory or the processing or collection thereof as well as those relating to its general business affairs and financial condition. Creditor shall have the right at any time, whether before or after an Event of Default, to notify any and all account debtors to make payment thereof directly to Creditor; but to the extent Creditor does not so elect, Grantor shall continue to collect the Receivables.

(iv) Creditor shall have the right, but shall incur no liability for failing to do so, in its own name, or in the name of the Grantor to demand, collect, receive, receipt for, sue for, compound and give acquittance for, any and all amounts due or to become due on the Receivables, to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as Grantor might have done, and to endorse the name of the Grantor on all commercial paper given in payment or part payment thereof, and in its discretion to file any claim or take any action or proceedings which Creditor may deem necessary or appropriate to protect and preserve and realize upon the security interest of Creditor in the Receivables and the proceeds thereof.

(v) Grantor will from time to time execute such further instruments and do such further acts and things as Creditor may reasonably require by way of further assurance to Creditor of the matters and things herein provided for or intended so to be. Without limiting the foregoing, Grantor agrees to execute and deliver to Creditor an assignment or other form of identification in the form required by Creditor of all Receivables at any time included under this Security Agreement, together with such other Receivables as Creditor may reasonably require; and Grantor will mark its books and records to reflect this Security Agreement.

(f) Transfers and Other Liens. Without prior consent of Creditor, the Grantor will not (i) sell, assign (by operation of law or otherwise), exchange, or otherwise dispose of any of the Collateral (except for sale or other use of Inventory in the ordinary course of business as

presently conducted); or (ii) create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral except for the security interest created by this Agreement.

(g) Damage to Collateral. The Grantor will promptly furnish to the Creditor a statement respecting any material loss or damage to any of the Tangible Collateral.

(h) Lien on Deposit Accounts. As additional security for the payment and performance of the Obligations, Grantor grants to Creditor a security interest in and assigns to Creditor all of Grantor's right, title and interest in and to each Deposit Account of the Grantor and in and to any deposits or other sums at any time credited to each such Deposit Account, including any sums in any blocked account or any special lockbox account. In connection with the foregoing, Grantor hereby authorizes and directs each bank or other depository at which a Deposit Account is maintained to pay or deliver to Creditor upon its written demand therefor made at any time that an Event of Default exists and without further notice to Grantor (such notice being hereby expressly waived), all balances in each Deposit Account maintained by Grantor with such depository for application to the Obligations then outstanding. The rights given Creditor in this Agreement shall be cumulative with and in addition to Creditor's other rights and remedies in regard to the foregoing property as proceeds of Collateral. Grantor hereby irrevocably appoints Creditor as its attorney to collect any and all such balances to the extent any such payment is not made to Creditor by such bank or other depository after demand thereon is made by Creditor pursuant hereto. In order to perfect the security interest in such accounts, Grantor agrees to execute and deliver to Creditor account control agreements for each of Grantor's accounts with banks and other depositories in form acceptable to Creditor.

6. Additional Provisions Concerning the Collateral.

(a) The Grantor hereby authorizes Creditor to file, without the signature of the Grantor where permitted by law, one or more financing or continuation statements, and amendments thereto, relating to the Collateral.

(b) The Grantor hereby irrevocably appoints Creditor the Grantor's attorney-in-fact and proxy, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Creditor's discretion, to take any action and to execute any instrument which Creditor may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation: (i) to obtain and adjust insurance required to be paid to Creditor pursuant to Section 5(d) hereof; (ii) to ask, demand, collect, sue for, recover, compound, receive, and give acquittance and receipts for monies due and to become due under or in respect of any of the Collateral; (iii) to receive, endorse and collect any checks, drafts or other instruments, documents and chattel paper in connection with clause (i) or (ii) above; (iv) to sign its name on any invoice relating to any Receivable, on drafts against customers, on schedules and assignments of Receivables, on notices of assignment, financing statements and other public records, on verification of accounts and on notices to customers (including notices directing customers to make payment direct to Creditor); (v) to notify the post office authorities to change the address for delivery of its mail to an address designated by

Creditor, to receive, open and process all mail addressed to Grantor, to send requests for verification of Receivables to customers; (vi) to file any claims or take any action or institute any proceedings which Creditor may deem necessary or desirable for the collection of any of the Collateral or otherwise enforce its rights of Creditor with respect to the Collateral, and (vii) to notify any third parties in possession of any of the Collateral to continue to hold and/or deliver the Collateral pursuant to Lender's instructions. Grantor hereby ratifies and approves all acts of said attorney; and so long as the attorney acts in good faith it shall have no liability to Grantor for any act or omission as such attorney.

(c) If the Grantor fails to perform any agreement contained herein, Creditor may itself perform, or cause performance of, such agreement or obligations, and the costs and expenses of Creditor incurred in connection therewith shall be payable by the Grantor under Section 10 hereof, and shall be fully secured hereby.

(d) The powers conferred on Creditor hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by it hereunder, Creditor shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights as to prior parties or any other rights pertaining to any Collateral.

(e) Anything herein to the contrary notwithstanding, (i) the Grantor shall remain liable under any contracts and agreements relating to the Collateral to the extent set forth therein to perform all of its obligations thereunder to the same extent as if this Agreement had not been executed; (ii) the exercise by Creditor of any of its rights hereunder shall not release the Grantor from any of its obligations under the contracts and agreements relating to the Collateral; and (iii) Creditor shall not have any obligation or liability by reason of this Agreement under any contracts and agreements relating to the Collateral, nor shall Creditor be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

7. Events of Default. An Event of Default shall be deemed to have occurred hereunder upon the occurrence of a failure or default in the full, faithful and prompt payment or performance of any one or more of the Obligations, and shall include, but shall not be limited to:

(a) Any default in the full and prompt payment when due of all or any part of any indebtedness constituting part of the Obligations hereunder;

(b) Any default by Grantor in the full, faithful and prompt payment or performance of any covenant, agreement, liability, obligation, condition, or undertaking on Grantor's part to be paid, met, kept, observed or performed pursuant to the provisions hereof, or of the Loan Agreement, or of any other instrument or document now or hereafter securing all or any part of the Obligations; or

(c) Any warranty or representation contained herein shall prove to have been false or materially misleading as of the time made.

8. Remedies Upon Default. If an Event of Default shall have occurred:

(a) Creditor may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Code (whether or not the Code applies to the affected Collateral), and also may (i) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of Creditor forthwith, assemble all or part of the Collateral as directed by Creditor and make it available to Creditor at a place to be designated by Creditor which is reasonably convenient to Creditor; and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Creditor's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Creditor may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least five (5) days' notice to the grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Creditor shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Creditor may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by Creditor in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied as follows:

(i) First, to the repayment of the reasonable costs and expenses, including reasonable attorneys' fees and legal expenses, incurred by Creditor in connection with (A) the administration of this Agreement, (B) the retaking, custody, preservation, use, or operation of, or the sale of, collection from, or other realization upon, any Collateral, (C) the exercise or enforcement of any of the rights of Creditor hereunder, or (D) the failure of the Grantor to perform or observe any of the provisions hereof;

(ii) Second, to the reimbursement of Creditor for the amount of any obligations of the Grantor paid or discharged by Creditor pursuant to the provisions of this Agreement, and of any expenses of Creditor payable by the Grantor hereunder;

(iii) Third, to the satisfaction of the Obligations, in such order as Creditor shall elect;

(iv) Fourth, to the payment of any other amounts required by applicable law; and

(v) Fifth, the surplus proceeds, if any, to the Grantor or to whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction shall direct.

(c) In the event that the proceeds of any such sale, collection or realization are insufficient to pay all amounts to which Creditor is legally entitled, the Grantor shall be liable for the deficiency, together with interest thereon at such rate(s) as shall be fixed by instrument(s) evidencing the Obligations(s) with respect to which such deficiency exists, together with the costs of collection and the reasonable fees of any attorneys employed by Creditor to collect such deficiency.

9. Rights and Duties of Creditor, Etc. Creditor undertakes, as to this Agreement, to exercise only such duties as are specifically set forth in this Agreement and to exercise such of the rights, powers and remedies as are vested in it by this Agreement or by law. Creditor may consult with counsel, and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

10. Indemnity and Expenses.

(a) The Grantor agrees to indemnify Creditor from and against any and all claims, losses, and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting solely and directly from Creditor's gross negligence or willful misconduct.

(b) The Grantor will upon demand pay to Creditor the amount of any and all costs and expense, including the fees and disbursements of the Creditor's counsel and of any experts and agents, which Creditor may incur in connection with (i) the administration of this Agreement; (ii) the custody, preservation, use, or operation of, or the sale of, collection from, or other realization upon, any Collateral; (iii) the exercise or enforcement of any of the rights of Creditor hereunder; or (iv) the failure by the grantor to perform or observe any of the provisions hereof, except expenses resulting solely and directly from Creditor's gross negligence or willful misconduct.

11. Notices, Etc. All notices and other routine communications provided for hereunder (other than routine informational communications) shall be in writing and shall be mailed (by registered or certified mail, return receipt requested), sent by recognized overnight courier service, or delivered, if to the grantor, to its address specified in the first paragraph of this Agreement, such notices and other communications shall be effective (i) if mailed, when received or three (3) days after mailing, whichever is earlier; (ii) if sent by recognized overnight courier service, on the first business day following the sending thereof, or (iii) if delivered, upon delivery.

12. Security Interests Absolute. All rights of Creditor, all security interests and all obligations of the Grantor hereunder shall be absolute and unconditional irrespective of: (i) any lack of validity or enforceability of the Indebtedness, or the Agreement, any guaranty, or any other agreement or instrument relating thereto; (ii) any change in the time, manner, or place of payment of, or in any other term in respect of, all or any of the Obligations, or any other amendment or waiver of or consent to any departure from this Agreement, any guaranty, or any

other agreement or instrument relating thereto; (iii) any increase in, addition to, or exchange, release, or non-perfection of, any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations; (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Grantor in respect of the Obligations or this Agreement; or (v) the absence of any action on the part of Creditor to obtain payment or performance of the Obligations from the Grantor or any other party.

13. Other.

(a) No amendment of any provision of this Security Agreement shall be effective unless it is in writing and signed by the Grantor and Creditor, and no waiver of any provision of this Agreement, and no consent to any departure by the Grantor therefrom, shall be effective unless it is in writing and signed by Creditor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No failure on the part of Creditor to exercise, and no delay in exercising, any right hereunder or under any other instrument or document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of Creditor provided herein and in the other instruments and documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of Creditor under any guaranty, any other instrument which now or hereafter evidences or secures all or part of the Obligations, or any related document against any party thereto are not conditional or contingent on any attempt by Creditor to exercise any of its rights under any other such instrument or document against such party or against any other party.

(c) Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the payment in full of all of the Obligations, (ii) be binding on the Grantor and its successors and permitted assigns and shall inure, together with all rights and remedies of Creditor hereunder, to the benefit of Creditor and its successors, transferees and assigns. None of the rights or obligations of the Grantor hereunder may be assigned or otherwise transferred without the prior written consent of Creditor.

(e) Upon the satisfaction in full of all of the Obligations, Creditor will, upon the Grantor's request and at the grantor's expense, (i) return to the Grantor such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof; and (ii)

execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence termination of the security interest herein granted.

(f) This Agreement shall be governed by and construed in accordance with the statutes and laws of the State of North Carolina, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest created hereby, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of North Carolina.

[Signatures are on the following page(s)]

IN WITNESS WHEREOF, the Grantor has caused this Security Agreement to be executed by its duly authorized officers as of the day and year first above written.

GRANTOR:

OLD LINE SPIRITS, LLC

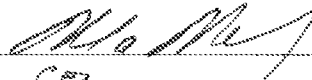
By: 
Title: CEO

EXHIBIT A

Excluded Collateral