03-15-1999

FORM PTO-1595 (Rev. 6-93) 1-31-92 3-8-99

RE 100982346 ET

TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):c

Redhook Ale Brewery, Incorporated

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies):

Name: U.S. Bank National Association
Internal Address:
Street Address: 1420 Fifth Avenue
City: Seattle State: WA ZIP: 98101

☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☐ Corporation-State
☒ Other National Banking Association

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: February 22, 1999

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional numbers attached? ☒ Yes ☐ No

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

Name: Vollie Scott
Internal Address: Miller, Nash, Wiener, Hager & Carlsen
4400 Two Union Square
Street Address: 601 Union Street
City: Seattle State: WA ZIP: 98101

6. Total number of applications and registrations involved: 16

7. Total fee (37 CFR 3.41): ..... $ 415.00
☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:
13-3571
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Vollie S. Scott — Name of Person Signing
Vollie Scott — Signature
March 2, 1999 — Date

Total number of pages comprising cover sheet: 2

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

03/11/1999 DNGUYEN 00000274 1755631
01 FC:481 40.00 OP
02 FC:482 375.00 OP

TRADEMARK REGISTRATIONS

Mark	Reg. No.	Issued
BALLARD BITTER	1,755,631	March 2, 1993
BLACK HOOK	1,299,809	October 9, 1984
BLACKHOOK PORTER & Design	1,296,703	September 18, 1984
BLUELINE	1,892,301	May 2, 1995
Design (BALLARD BITTER)	1,409,762	September 16, 1986
Design (WINTERHOOK)	1,493,423	June 21, 1988
FORECASTERS	1,929,789	October 24, 1995
RED HOOK	1,253,138	October 4, 1983
RED HOOK ALE & Design	1,332,480	April 23, 1985
RED HOOK BLUELINE & Design	1,802,237	November 2, 1993
RED HOOK ESB & Design	1,940,873	December 12, 1995
REDHOOK DOUBLBLACK STOUT	2,093,507	September 2, 1997
TROLLEYMAN	1,929,788	October 24, 1995
WHEAT HOOK	1,682,181	April 7, 1992
WINTERHOOK	1,490,430	May 31, 1988

TRADEMARK APPLICATIONS

Mark	Reg. No.	Issued
BALLARD BITTER, IPA & Design	75/479,479	May 5, 1998

SECURITY AGREEMENT

This security agreement ("Agreement") is made and entered into as of February 22, 1999, by REDHOOK ALE BREWERY, INCORPORATED, a Washington corporation ("Borrower"), for the benefit of U.S. BANK NATIONAL ASSOCIATION, a national banking association ("U.S. Bank"). Words and phrases with initial capital letters have the meanings given to them in Article I of this Agreement.

RECITALS:

A. On or about June 5, 1995, Borrower and U.S. Bank entered into that certain amended and restated credit agreement (together with all supplements, exhibits, and amendments thereto, referred to as the "Credit Agreement"), whereby U.S. Bank agreed to make loans and advances of credit to Borrower on the terms and conditions set forth therein. Concurrently with the execution of this Agreement, Borrower and U.S. Bank entered into the third amendment to amended and restated credit agreement ("Third Amendment") whereby U.S. Bank and Borrower agreed to modify the terms of the Loans.

B. Borrower's grant to U.S. Bank of a security interest in all of its assets as security for the Secured Obligations is among the agreed upon modifications to the Loans.

NOW, THEREFORE, in order for U.S. Bank to modify the Loans in accordance with the terms of the Third Amendment, Borrower agrees as follows:

ARTICLE I. DEFINITIONS

Unless otherwise defined herein, terms defined in the Credit Agreement shall have the same meanings when used herein. For the purposes of this Agreement, the following terms shall have the following meanings:

"Account" means any right to payment for goods sold or leased or for services rendered that is not evidenced by an Instrument or Chattel Paper, whether or not it has been earned by performance.

"Account Debtor" means the party who is obligated on or under any Account, Chattel Paper, or General Intangible.

"Assignee Deposit Account" shall have the meaning set forth in Section 5.7 hereof.

"Chattel Paper" means all interest of Borrower in writings that evidence both a monetary obligation and a security interest in or a lease of specific goods, including any group of writings consisting of both a security agreement or a lease and an Instrument or series of Instruments.

"Collateral" means all property, real, personal, and mixed, tangible and intangible, wherever located, now owned or hereafter acquired by Borrower, or in which

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Borrower has or later obtains an interest, including but not limited to Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Financial Assets, General Intangibles, Goods, Instruments, Inventory, Investment Property, Trademarks, and Vehicles, and all products, profits, rents, and proceeds of such property. As used in this Agreement, "Collateral" shall not include any property owned by any Subsidiary of Borrower.

"Deposit Account" means a demand, time, savings, passbook, or like account maintained with a bank, savings and loan association, credit union, or like organization, other than an account evidenced by a certificate of deposit.

"Document" means all of Borrower's right, title, and interest in or to any document of title as defined in RCW 62A.1-201 and any receipt of the kind described in RCW 62A.7-201(2).

"Equipment" means all of Borrower's right, title, and interest in and to Goods that are used or bought for use primarily in business and that are not included within the definition of Inventory, including but not limited to all machinery, equipment, furnishings, fixtures, vehicles, tools, supplies, and other equipment of any kind and nature and all additions, substitutions, and replacements of any of the foregoing, together with all attachments, components, parts, accessories, improvements, upgrades, and accessories installed thereon or affixed thereto.

"Event of Default" means an occurrence of an Event of Default as defined in the Credit Agreement.

"Financial Assets" means all of Borrower's right, title, and interest in and to any financial asset as defined in RCW 62A.8-102.

"General Intangibles" means all personal property (including things in action) other than Goods, Accounts, Chattel Paper, Documents, Financial Assets, Instruments, Investment Property, and money, including but not limited to all Trademarks, insurance proceeds, patents, copyrights, trade names, trade secrets, goodwill, registration, license rights, licenses, permits, corporate and other business records, rights to refunds or indemnification, and all other intangible personal property of Borrower of every kind and nature.

"Goods" means all things that are movable or that are fixtures, not including money, Documents, Financial Assets, Instruments, Accounts, Chattel Paper, Investment Property, or General Intangibles.

"Instrument" means any negotiable instrument or other writing that evidences a right to the payment of money and is not itself a security agreement or lease and is of a type that is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment.

"Inventory" means all Goods held by Borrower for sale or lease, furnished or to be furnished by Borrower under any contract of service, or held by Borrower as raw materials, work in progress, or materials used or consumed in Borrower's business.

"Investment Property" means all of Borrower's right, title, and interest in and to any investment property as defined in RCW 62A.9-115.

"Secured Obligations" means any past, present, or future Indebtedness of Borrower to U.S. Bank, and includes but is not limited to (a) any indebtedness, obligation, or liability of any kind arising in any way of Borrower to U.S. Bank, now existing or hereafter created, under the Credit Agreement, the Notes, or the other Loan Documents, including any refinancing, renewal, replacement, extension, amendment, or substitution of such indebtedness, (b) any liability or obligation of Borrower hereunder, (c) the obligations of Borrower under any guaranty executed by Borrower and delivered to U.S. Bank, whereby Borrower guarantees the Indebtedness of any Person other than Borrower to U.S. Bank, and (d) any cost, expense, or liability, including but not limited to reasonable attorney fees, that may be incurred and advances that may be made by U.S. Bank in any way in connection with any of the foregoing or any security therefor.

"Trademark" means (a) any trademark, trade name, corporate name, company name, business name, fictitious business name, trade style, service mark, logo or other source or business identifier, and the goodwill associated therewith, now existing or hereafter adopted or acquired, (b) any registration or recording of any Trademark, and any application in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or of any state of the United States, or any other country or any political subdivision of another country or otherwise, and (c) all renewals of any Trademark.

"Vehicle" means any car, truck, trailer, construction or earth-moving equipment, or other vehicle covered by a certificate of title of any state, including but not limited to any tires or other appurtenances to any Vehicle.

ARTICLE II. GRANT OF SECURITY INTEREST

As security for the payment and satisfaction of the Secured Obligations, Borrower hereby grants to U.S. Bank a continuing security interest in and assigns to U.S. Bank all of Borrower's right, title, and interest in the Collateral and all products, profits, rents, and proceeds thereof.

ARTICLE III. COVENANTS OF BORROWER

Borrower shall fully perform each of the following covenants:

3.1 Obligations to Pay.

(a) Borrower shall pay to U.S. Bank, in timely fashion and in full, all amounts payable by Borrower to U.S. Bank, pursuant to the Credit Agreement, the Notes, and the other Loan Documents; and

(b) Borrower shall pay and reimburse U.S. Bank for all expenditures including reasonable attorney fees and legal expenses in connection with the exercise by U.S. Bank of any of its rights or remedies under the Credit Agreement or the other Loan Documents.

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3.2 Performance. Borrower shall fully perform in a timely fashion every covenant, agreement, and obligation set forth in the Credit Agreement and the other Loan Documents.

3.3 Further Documentation. At its own expense, Borrower shall execute and deliver any financing statement, any renewal, substitution, or correction thereof, or any other document; shall procure any document; and shall take such further action as U.S. Bank reasonably may require in obtaining the full benefits of this Agreement.

3.4 Filing Fees. Borrower shall pay all costs of filing any financing, continuation, or termination statement with respect to the security interests granted herein.

3.5 Pledges. Borrower shall deliver and pledge to U.S. Bank, endorsed or accompanied by instruments of assignment or transfer satisfactory to U.S. Bank, any Instruments, Investment Property, Documents, General Intangibles, or Chattel Paper that U.S. Bank may specify from time to time.

3.6 Maintenance of Records. Borrower shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral including but not limited to a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Borrower shall deliver and turn over to U.S. Bank all books and records pertaining to the Collateral at any time after the occurrence and during the continuation of an Event of Default, if so demanded by U.S. Bank.

3.7 Disposition of Collateral. Except for the sale of Equipment that was used in Borrower's location at Phinney Avenue North, Seattle, Washington, or in the ordinary course of Borrower's business or as otherwise allowed in the Credit Agreement, Borrower shall not sell or transfer any of the Collateral or release, compromise, or settle any obligation or material receivable due to Borrower.

3.8 Indemnification. Borrower agrees to pay, and to indemnify U.S. Bank and hold U.S. Bank harmless from, all liabilities, costs, and expenses including but not limited to reasonable legal fees and expenses with respect to or resulting from (a) any delay in paying any excise, sales, or other taxes that may be payable or determined to be payable with respect to any of the Collateral, (b) any delay by Borrower in complying with any requirement of law applicable to any of the Collateral, or (c) any of the transactions contemplated by this Agreement. In any reasonable suit, proceeding, or action brought by U.S. Bank to enforce payment of any sum owing on any Account or to enforce any provisions of any Account, Borrower will indemnify U.S. Bank and hold U.S. Bank harmless from all expense, loss, or damage suffered by reason of any defense, setoff, counterclaim, recoupment, or reduction allowed with respect to the Account to the extent arising out of a breach by Borrower of any obligation under the Account or arising out of any other agreement, indebtedness, or liability at any time owing to or in favor of such Account Debtor or its successors from Borrower.

3.9 Limitations on Amendments, Modifications, Terminations, Waivers, and Extensions of Contracts and Agreements Giving Rise to Accounts. Except, in each case, in the ordinary course of Borrower's business or consistent with industry practice, Borrower will not

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(a) amend, modify, terminate, waive, or extend any provision of any agreement giving rise to an Account in any manner that could reasonably be expected to have a material adverse effect on the aggregate value of the Accounts as Collateral or (b) fail to exercise promptly and diligently every material right that it may have under each agreement giving rise to an Account, other than any right of termination.

3.10 Limitations on Discounts, Compromises, and Extensions of Accounts. Borrower will not grant any extension of the time of payment of any of the Accounts; compromise, compound, or settle the same for less than the full amount thereof; release, wholly or partially, any Person liable for the payment thereof; or allow any credit or discount whatsoever thereon, except, in each case, in the ordinary course of Borrower's business or consistent with industry practice.

3.11 Further Identification of Collateral. Borrower will furnish to U.S. Bank, upon its reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as U.S. Bank may reasonably request.

3.12 Notices. Borrower will advise U.S. Bank promptly in reasonable detail at its address set forth in Section 7.9 of the occurrence of any event that could reasonably be expected to have a material adverse effect on the Collateral or on the liens created hereunder, including any lien (other than liens created hereby or permitted under the Credit Agreement) on or claim asserted against any of the Collateral.

3.13 Changes in Locations, Name, Etc. Borrower will not (a) change the location of its chief executive office/chief place of business or remove its books and records from the locations specified on Schedule II to this Agreement, (b) except in the ordinary course of Borrower's business and consistent with prior practice, permit any of the Inventory or Equipment (excluding Vehicles) to be kept at locations other than those listed on Schedule II, or (c) change its name, identity, or structure to such an extent that any financing statement filed by U.S. Bank in connection with this Agreement would become seriously misleading, unless it shall have given U.S. Bank at least ten days' prior written notice thereof.

3.14 Trademarks.

(a) Borrower (either itself or through licensees) will, in a manner consistent with prior practice, (i) continue to use its Trademarks in order to maintain such Trademarks in full force, free from any claim of abandonment for nonuse that would materially decrease the aggregate value of the Trademarks, (ii) maintain the quality of products and services offered under such Trademarks, (iii) employ such Trademarks with the appropriate notice of registration, (iv) not adopt or use any mark that is confusingly similar to or a colorable imitation of such Trademarks unless U.S. Bank shall have obtained a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any currently-used Trademark may become invalidated.

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(b) Borrower will notify U.S. Bank immediately if it knows, or has reason to know, of (i) any application or registration relating to any Trademark material to its business that may become abandoned or dedicated, or (ii) any adverse determination or development (including but not limited to the institution of, or any adverse determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding Borrower's ownership of any material Trademark or its right to register, keep, or maintain the same.

(c) Whenever Borrower, either by itself or through any agent, employee, licensee, or designee, shall file an application for the registration of any material Trademark with the United States Patent and Trademark Office, Borrower shall report such filing to U.S. Bank within 30 days after the last day of the calendar month in which such filing occurs. Borrower shall execute and deliver to U.S. Bank all agreements, instruments, powers of attorney, documents, and papers that U.S. Bank may request to evidence U.S. Bank's security interest in any Trademark and in the goodwill and general intangibles of Borrower relating to or represented by the Trademark. Borrower hereby constitutes U.S. Bank its attorney-in-fact to execute and file all such writings for the foregoing purposes, with all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, is irrevocable until all Secured Obligations are paid in full.

(d) Borrower will take all reasonable and necessary steps, including but not limited to all reasonable and necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof to which Borrower has applied for any Trademark, to maintain and pursue each application, to obtain the relevant registration, and to maintain each registration of material Trademarks, including but not limited to filing applications for renewal, affidavits of use, and affidavits of incontestability.

(e) If any Trademark that is included in the Collateral is infringed, misappropriated, or diluted by a third party, Borrower shall promptly notify U.S. Bank after it learns thereof and shall take such action as Borrower reasonably deems appropriate under the circumstances to protect such Trademark.

3.15 Vehicles. Upon request by U.S. Bank, the application for certificate of title to any vehicle indicating U.S. Bank's first priority lien on such Vehicle, and any other necessary documentation, shall be filed in each office in each jurisdiction that U.S. Bank deems advisable to perfect its lien on any Vehicle constituting Collateral.

3.16 Insurance. Borrower agrees to insure the Collateral against all hazards in form and amount consistent with the prior practices of Borrower and reasonably acceptable to U.S. Bank. If Borrower fails to obtain such insurance, U.S. Bank shall have the right, but not the obligation, to obtain either insurance covering both Borrower's and U.S. Bank's interest in the Collateral, or insurance covering only U.S. Bank's interest in the Collateral. Borrower agrees to pay such premium that would be charged for insurance that Borrower is required to maintain by this Section 3.16. This amount may be added to the outstanding balance of the Loans, and interest thereon shall be charged at the rate specified in any applicable Loan Document, or U.S. Bank may demand immediate payment. Any unpaid insurance premium advanced by

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U.S. Bank shall be secured under the terms of this Agreement. U.S. Bank will have no liability whatsoever for any loss which may occur by reason of the omission or lack of coverage of any such insurance. Any insurer shall make payable jointly to the Borrower and U.S. Bank as secured party (or otherwise as its interest may appear) any loss payments from casualty/property loss insurance covering any of the Collateral in excess of $100,000.

3.17 Copy of Financing Statement. Borrower agrees that a carbon, photographic, or other reproduction of a financing statement or this Agreement is sufficient as a financing statement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES

Borrower hereby makes the following representations and warranties:

4.1 Title to Collateral. Borrower has good and marketable title to all the Collateral, free and clear of all liens excepting only the security interests created pursuant to this Agreement or permitted pursuant to the Credit Agreement.

4.2 No Impairment of Collateral. None of the Collateral shall be impaired or jeopardized because of the security interest herein granted.

4.3 Other Agreements. The execution and delivery of this Agreement, the consummation of the transactions provided for herein, and the fulfillment of the terms hereof will not result in the breach of any of the terms, conditions, or provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation under any (a) agreement or other instrument to which Borrower is a party or by which Borrower is bound or (b) Applicable Law.

4.4 No Approvals. No Governmental Approvals of any nature are required in connection with the security interests herein granted.

4.5 Authority. Borrower has full power and authority to assign to U.S. Bank and to grant to U.S. Bank a security interest in the Collateral.

4.6 Location of Records. The address of the office where the books and records of Borrower are kept concerning the Collateral is set forth on Schedule II.

4.7 Location of Collateral. The locations of all Inventory and Equipment of Borrower are described on Schedule II.

4.8 Name. Borrower, but not necessarily any of its Subsidiaries, conducts its business only under the name "Redhook Ale Brewery, Incorporated."

4.9 Accounts. The amount represented by Borrower to U.S. Bank from time to time as owing by each Account Debtor or by all Account Debtors in respect of the Accounts will at such time be the materially correct amount actually owing by such Account Debtor or Debtors thereunder. No material amount payable to Borrower under or in connection with any

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Account is evidenced by any Instrument or Chattel Paper that has not been delivered to U.S. Bank.

4.10 Chief Executive Office. Borrower's chief executive office and chief place of business is located at the address set forth on Schedule II.

4.11 Trademarks. Schedule I hereto includes all Trademarks owned by Borrower in its own name as of the date hereof. To the best of Borrower's knowledge, the Trademarks are valid, subsisting, unexpired, and enforceable and have not been abandoned. Except as set forth in Schedule I, none of the Trademarks is the subject of any licensing or franchise agreement. No holding, decision, or judgment that would limit, cancel, or question the validity of the Trademarks has been rendered by any Governmental Body. No action or proceeding is pending that seeks to limit, cancel, or question the validity of such Trademarks and that would, if adversely determined, have a material adverse effect on the aggregate value of the Trademarks.

4.12 Governmental Obligors. No Account Debtor is a Governmental Body.

ARTICLE V. U.S. BANK'S RIGHTS WITH RESPECT TO THE COLLATERAL

5.1 No Duty on U.S. Bank's Part. U.S. Bank shall not be required (except at its option upon the occurrence and during the continuation of any Event of Default) to realize upon any Accounts, Financial Assets, Instruments, Investment Property, Chattel Paper, or General Intangibles; collect the principal, interest, or payment due thereon, exercise any rights or options of Borrower pertaining thereto; make presentment, demand, or protest; give notice of protest, nonacceptance, or nonpayment; or do any other thing for the protection, enforcement, or collection of such Collateral. The powers conferred on U.S. Bank hereunder are solely to protect U.S. Bank's interests in the Collateral and shall not impose any duty upon U.S. Bank to exercise any such powers. U.S. Bank shall be accountable only for amounts that U.S. Bank actually receives as a result of the exercise of such powers; and neither U.S. Bank nor any of its officers, directors, employees, or agents shall be responsible to Borrower for any act or failure to act hereunder.

5.2 Negotiations with Account Debtors. During the existence of any Event of Default, U.S. Bank may, in its sole discretion, extend or consent to the extension of the time of payment or maturity of any Instruments, Accounts, Chattel Paper, or General Intangibles.

5.3 Right to Assign. Except as otherwise provided in the Credit Agreement, U.S. Bank may assign or transfer the whole or any part of the Secured Obligations and may transfer therewith U.S. Bank's security interests in the whole or any part of the Collateral; and all obligations, rights, powers, and privileges herein provided shall inure to the benefit of the assignee and shall bind the successors and assigns of the parties hereto.

5.4 Duties Regarding Collateral. Beyond the safe custody thereof, U.S. Bank shall not have any duty as to any Collateral in its possession or control, or as to any preservation of any rights of or against other parties.

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5.5 Collection From Account Debtors. During the existence of any Event of Default, Borrower shall, upon demand by U.S. Bank (and without any grace or cure period), notify all Account Debtors to make payment to U.S. Bank of any amounts due or to become due. Borrower authorizes U.S. Bank to contact the Account Debtors for the purpose of having all or any of them pay their obligations directly to U.S. Bank. Upon demand by U.S. Bank, Borrower shall enforce collection of any indebtedness owed to it by Account Debtors.

5.6 Inspection. U.S. Bank and its designees, from time to time at reasonable times and intervals, may inspect the Equipment and Inventory and inspect, audit, and make copies of and extracts from all records and all other papers in the possession of Borrower.

5.7 Assignee Deposit Account. Upon demand by U.S. Bank, during the existence of an Event of Default, Borrower will transmit and deliver to U.S. Bank, in the form received, immediately after receipt, all cash, checks, drafts, Chattel Paper, Instruments, or other writings for the payment of money including Investment Property (properly endorsed, where required, so that the items may be collected by U.S. Bank) that may be received by Borrower at any time. All items or amounts that are delivered by Borrower to U.S. Bank, or collected by U.S. Bank from the Account Debtors, shall be deposited to the credit of a Deposit Account ("Assignee Deposit Account") of Borrower with U.S. Bank, as security for the payment of the Secured Obligations. Borrower shall have no right to withdraw any funds deposited in the Assignee Deposit Account. U.S. Bank may, from time to time in its discretion, and shall, upon the request of Borrower made not more than twice in any week, apply all or any of the balance, representing collected funds, in the Assignee Deposit Account, to payment of the Secured Obligations, whether or not then due, in such order of application, not inconsistent with the terms of the Credit Agreement and this Agreement, as U.S. Bank may determine; and U.S. Bank may, from time to time in its discretion, release all or any of such balance to Borrower.

ARTICLE VI. U.S. BANK'S RIGHTS AND REMEDIES

6.1 General. During the existence of any Event of Default, U.S. Bank may exercise its rights and remedies in the Credit Agreement and in any other Loan Documents and any other rights and remedies at law and in equity, simultaneously or consecutively, all of which rights and remedies shall be cumulative. The choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights and remedies. Borrower hereby acknowledges and agrees that U.S. Bank is not required to exercise all rights and remedies available to it equally with respect to all the Collateral and that U.S. Bank may select less than all the Collateral with respect to which the rights and remedies as determined by U.S. Bank may be exercised.

6.2 Notice of Sale; Duty to Assemble Collateral. In addition to or in conjunction with the rights and remedies referred to in Section 6.1 hereof:

(a) Written notice mailed to Borrower at the address designated herein ten days or more prior to the date of public or private sale of any of the Collateral shall constitute reasonable notice.

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(b) If U.S. Bank requests, Borrower will assemble the Collateral and make it available to U.S. Bank at places that U.S. Bank shall reasonably select, whether on Borrower's premises or elsewhere.

ARTICLE VII. GENERAL PROVISIONS

7.1 Entire Agreement. This Agreement, together with the Credit Agreement and the other Loan Documents, sets forth all the promises, covenants, agreements, conditions, and understandings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Agreement may not be amended, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge, or termination is sought.

7.2 Invalidity. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereunder, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

7.3 Nonwaiver and Nonexclusive Rights and Remedies.

(a) No right or remedy herein conferred upon or reserved to U.S. Bank is intended to be to the exclusion of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to every other right or remedy given hereunder and now or hereafter existing at law or in equity.

(b) No delay or omission by U.S. Bank in exercising any right or remedy accruing upon an Event of Default shall impair any such right or remedy, or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

7.4 Termination of Security Interest. When all the Secured Obligations have been paid in full, the security interest provided herein shall terminate and U.S. Bank shall return to Borrower all Collateral then held by U.S. Bank, if any, and upon written request of Borrower, shall execute, in form for filing, termination statements of the security interests herein granted. Thereafter, no party hereto shall have any further rights or obligations hereunder.

7.5 Successors and Assigns. All rights of U.S. Bank hereunder shall inure to the benefit of its successors and assigns, and all obligations of Borrower shall be binding upon its successors and assigns.

7.6 U.S. Bank's Appointment as Attorney-in-Fact.

(a) Borrower hereby irrevocably constitutes and appoints U.S. Bank and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Borrower and in the name of Borrower or in its own name, from time to time during the existence of an Event of Default, in

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U.S. Bank's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action, and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement; and without limiting the generality of the foregoing, Borrower hereby gives U.S. Bank the power and right, on behalf of Borrower, without consent by or notice to Borrower, to do the following during the existence of an Event of Default:

(i) to transfer to U.S. Bank or to any other Person all or any of the Collateral, to endorse any Instruments pledged to U.S. Bank, and to fill in blanks in any transfers of Collateral, powers of attorney, or other documents delivered to U.S. Bank;

(ii) to pay or discharge taxes and liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement, and to pay all or any part of the premiums therefor and the costs thereof;

(iii) to take possession of, endorse, and collect any checks, drafts, notes, acceptances, or other instruments for the payment of moneys due under any Account, Instrument, or General Intangible or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by U.S. Bank for the purpose of collecting all such moneys due under any Account, Financial Assets, Instrument, Investment Property, or General Intangible or with respect to any other Collateral whenever payable; and

(iv) to direct any party liable for any payment under any of the Collateral to make payment of all moneys due or to become due thereunder directly to U.S. Bank or as U.S. Bank shall direct; to ask for, demand, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices, and other documents in connection with any of the Collateral; to commence and prosecute any suits, actions, or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral and to enforce any other right in respect of any Collateral; to defend, settle, compromise, or adjust any suit, action, or proceeding brought against Borrower with respect to any Collateral and, in connection therewith, to give such discharge or releases as U.S. Bank may deem appropriate; to assign any Trademark (along with the goodwill of the business to which any such Trademark pertains) throughout the world for such terms, on such conditions, and in such manner as U.S. Bank shall in its sole discretion determine; and generally, to sell, transfer, pledge, and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though U.S. Bank were the absolute owner thereof for all purposes; and to do, at U.S. Bank's option and Borrower's expense, at any time or from time to time, all acts and things that U.S. Bank deems necessary to protect, preserve or realize

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upon the Collateral and U.S. Bank's liens thereon and to effect the intent of this Agreement, all as fully and effectively as Borrower might do.

(b) Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this appointment. This power of attorney is a power coupled with an interest and shall be irrevocable until all Secured Obligations are paid in full.

(c) Borrower also authorizes U.S. Bank, at any time and from time to time, to execute, in connection with the sale provided for in Article VI hereof, any endorsements, assignments, or other instruments of conveyance or transfer with respect to the Collateral.

(d) The powers conferred on U.S. Bank hereunder are solely to protect U.S. Bank's interests in the Collateral and shall not impose any duty upon U.S. Bank to exercise any such powers. U.S. Bank shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees, or agents shall be responsible to Borrower for any act or failure to act hereunder.

7.7 Performance by U.S. Bank of Borrower's Obligations. If Borrower fails to perform or comply with any of its agreements contained herein and U.S. Bank, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expense of U.S. Bank incurred in connection with such performance or compliance, together with interest thereon at the rate provided for in the Credit Agreement upon the occurrence of an Event of Default, shall be payable by Borrower to U.S. Bank on demand and shall constitute Secured Obligations.

7.8 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with and shall be governed by the laws of the state of Washington, without regard to the state's rules and principles relating to conflicts of law.

7.9 Notices. All notices, requests, consents, demands, approvals, and other communications hereunder shall be deemed to have been duly given, made, or served if given, made or served in accordance with the notice provisions of Section 10.1 of the Credit Agreement.

7.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement, but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, Borrower and U.S. Bank have caused this Agreement to be duly executed by their respective duly authorized officers or agents, to be effective as of February 22, 1999.

REDHOOK ALE BREWERY, INCORPORATED

By: _____

Bradley A. Berg,
Executive Vice President and
Chief Financial Officer

ACCEPTED BY:

U.S. BANK NATIONAL ASSOCIATION, a national banking association

By: _____

Matthew D. Hill, Assistant Vice President

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SCHEDULE I

TRADEMARK REGISTRATIONS

Mark	Country	Reg. No.	Issued
BALLARD BITTER	Canada	426,849	May 6, 1994
BALLARD BITTER	Mexico	484957	November 30, 1994
BALLARD BITTER	**U.S.**	**1,755,631**	**March 2, 1993**
BALLARD BITTER	State: New Hampshire	Vol. 90 Pg 26	February 15, 1995
BLACK HOOK	**U.S.**	**1,299,809**	**October 9, 1984**
BLACK HOOK	Mexico	484959	November 30, 1994
BLACK HOOK	State: New Hampshire	Vol. 90 Pg 24	February 15, 1995
BLACKHOOK PORTER & Design	**U.S.**	**1,296,703**	**September 18, 1984**
BLUELINE	**U.S.**	**1,892,301**	**May 2, 1995**
Design (BALLARD BITTER)	**U.S.**	**1,409,762**	**September 16, 1986**
Design (WINTERHOOK)	**U.S.**	**1,493,423**	**June 21, 1988**
FORECASTERS	**U.S.**	**1,929,789**	**October 24, 1995**
RED HOOK	Canada	418,500	October 22, 1993
RED HOOK	Hong Kong	2375/93	June 18, 1993
RED HOOK	Japan	2601613	November 30, 1993
RED HOOK	South Korea	247,104	August 17, 1992
RED HOOK	Mexico	484960	November 30, 1994
RED HOOK	Singapore	7563/91	August 13, 1991
RED HOOK	Taiwan	556831	April 16, 1992
RED HOOK	**U.S.**	**1,253,138**	**October 4, 1983**

Mark	Country	Reg. No.	Issued
RED HOOK ALE & Design	**U.S.**	**1,332,480**	**April 23, 1985**
RED HOOK BLUELINE and Design	**U.S.**	**1,802,237**	**November 2, 1993**
RED HOOK DOUBLE BLACK	Japan	4143687	May 8, 1998
RED HOOK ESB	State: New Hampshire	Vol 90 Pg 25	February 15, 1995
RED HOOK ESB and Design	**U.S.**	**1,940,873**	**December 12, 1995**
REDHOOK DOUBLBLACK STOUT	**U.S.**	**2,093,507**	**September 2, 1997**
TROLLEYMAN	**U.S.**	**1,929,788**	**October 24, 1995**
WHEAT HOOK	Canada	413,666	June 18, 1993
WHEAT HOOK	Mexico	484958	November 30, 1994
WHEAT HOOK	**U.S.**	**1,682,181**	**April 7, 1992**
WHEAT HOOK	State: New Hampshire	Vol 90 Pg 7	February 15, 1995
WHEATHOOK and Design	State: Washington	18,915	May 10, 1989
WINTERHOOK	**U.S.**	**1,490,430**	**May 31, 1988**
WINTERHOOK	State: New Hampshire		March 20, 1996
TRADEMARK APPLICATIONS			
BALLARD BITTER, IPA and Design	U.S.	75/479,479	May 5, 1998
ESB	Japan	1997-103375	April 3, 1997
RED HOOK	Japan	1997-103376	April 3, 1997
RED HOOK Logo	Community	440966	December 11, 1996

SCHEDULE II

Address of

Chief executive office:	3400 Phinney Avenue North Seattle, WA 98103
Address of Office where Books and records are kept:	Same as Chief Executive Office
Addresses of locations of Collateral:	Washington

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RECORDED: 03/02/1999
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