

08-07-1998

SHEET
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Docket No.:



Tab settings

To the Honorable Commissioner of

100787327

the attached original documents or copy thereof.

MRD 8-3-98

1. Name of conveying party(ies):

Big River Breweries, Inc., a Tennessee corporation

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

Additional names(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

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

Execution Date: **January 31, 1998**

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

Name: **NationsBank of Tennessee, N.A.**

Internal Address: **633 Chestnut Street**

Street Address: **633 Chestnut Street**

City: **Chattanooga**

State: **TN** ZIP: **37450**

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

75/385,597

75/161,882

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: **Micheline Kelly Johnson**

Internal Address: **Baker, Donelson, Bearman & Caldwell**

Street Address: **1800 Republic Centre**

633 Chestnut Street

City: **Chattanooga** State: **TN** ZIP: **37450**

6. Total number of applications and registrations involved:.....

2

7. Total fee (37 CFR 3.41):.....\$ **65.00**

- Enclosed
- Excess or deficiency Authorized to be charged to deposit account

8. Deposit account number:

08-1629

06/05/1998 SSNITH 00000062 75385397

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
02 FC:482 25.00 OP

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.

Micheline Kelly Johnson

Name of Person Signing

Micheline Kelly Johnson
Signature

7/27/98
Date

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT, dated as of January [31], 1998, is made by BIG RIVER BREWERIES, INC., a Tennessee corporation (the "Grantor"), in favor of NATIONSBANK OF TENNESSEE, N.A., a national banking association (the "Lender").

WITNESSETH:

WHEREAS, Lender is making loans (the "Loan") in the amount of \$10,000,000 to Grantor, Trolley Barn Brewery ("Trolley"), and Big River Properties, Inc. ("Properties"), pursuant to that certain Loan Agreement dated July 10, 1997, by and between Grantor, Trolley, Properties and Lender (the "Loan Agreement"); and

WHEREAS, in connection with the making of the Loan, Lender desires to obtain from Grantor and Grantor desires to grant to Lender a security interest in certain collateral more particularly described below;

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and to induce Lender to make the Loan to Grantor under the Loan Agreement, Grantor hereby agrees with Lender, as follows:

1. **Defined Terms.** Unless otherwise defined herein, terms which are defined in the Loan Agreement and used herein are so used as so defined, and the following terms shall have the following meanings:

"Collateral" has the meaning assigned to it in Section 2 of this Security Agreement.

"Obligations" means all of the indebtedness, obligations and liabilities under the Loan Agreement (including, without limitation, the indebtedness evidenced by the Promissory Note in the principal amount of \$8,000,000 and the Promissory Note in the principal amount of \$2,000,000 outstanding under the Loan Agreement) and all other indebtedness, obligations and liabilities of the Grantor to Lender of every kind, nature and character which may now or hereafter be outstanding, howsoever evidenced or created, actual, direct, indirect (including all obligations under guaranties from Grantor now or hereafter held by Lender), joint, several, contingent or otherwise including any and all future advances regardless of the class of such future advances, and all interest, charges and amounts due on any of the foregoing and all renewals, extensions and modifications thereof, the foregoing including, without limitation, the indebtedness, obligations and liabilities under that certain Loan Agreement between Grantor, Trolley, Properties, and Lender dated

January 22, 1996, and those certain Continuing Guaranties executed by Grantor in favor of Lender on January 22, 1996, pursuant to which all of the indebtedness, obligations and liabilities now or hereafter owing by Trolley or Properties to Lender are guaranteed by Grantor.

"Proceeds" means "proceeds," as such term is defined in Section 9-306(1) of the UCC and, to the extent not included in such definition, shall include, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to Grantor from time to time with respect to any of the Collateral, (b) all payments (in any form whatsoever) paid or payable to Grantor from time to time in connection with any taking of all or any part of the Collateral by any governmental authority or any person acting under color of governmental authority, (c) all judgments in favor of Grantor in respect of the Collateral, and (d) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

"Security Agreement" means this Trademark Security Agreement, as amended, supplemented or otherwise modified from time to time.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source of business identifiers used in any country in the world, whether registered or unregistered, and the goodwill associated therewith, now existing or hereafter acquired, and (b) all registrations, recordings and renewals thereof, and all applications in connection therewith, issued by or filed with a national, state or local governmental authority of any country, whether now or hereafter existing, including, without limitation, all such rights referred to in Schedule A hereto.

"Trademark License" means any agreement, written or oral, providing for the grant by or to Grantor of any right to use any Trademark, whether now or hereafter existing, including, without limitation, any thereof referred to in Schedule A hereto.

"UCC" means the Uniform Commercial Code as from time to time in effect in the State of Tennessee.

2. **Grant of Security Interest.** As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, Grantor hereby assigns and grants to Lender for the benefit of Lender a security interest in all of Grantor's right, title and interest in and to the following property now owned or at any time hereafter acquired by Grantor or in which Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

- (i) all Trademarks;
- (ii) all Trademark Licenses; and

- (iii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing;

that are used or useful in the business of Grantor, and whether or not included in Schedule A.

3. Representations and Warranties Concerning Trademarks. Grantor represents and warrants that Schedule A hereto includes all of Grantor's registered Trademarks and Trademark Licenses as of the date hereof. To the best of Grantor's knowledge, each Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set forth in Schedule A, none of the Trademarks is the subject of any licensing or franchise agreement. All licenses of the Trademarks are in force and effect and, to the best knowledge of Grantor, not in default. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Trademark. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Trademark or Grantor's ownership thereof, or (ii) which, if adversely determined, could have a material adverse effect on the value of any Trademark.

4. Covenants. Grantor covenants and agrees with Lender that, from and after the date of this Security Agreement until the Obligations are paid in full:

(a) Further Documentation. From time to time, upon the written request of Lender, and at the sole expense of Grantor, Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code as in effect in any jurisdiction with respect to the liens created hereby. Grantor also hereby authorizes Lender to file any such financing or continuation statement without the signature of Grantor to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(b) Limitation on Lien on Collateral. Grantor will not create, incur or permit to exist, will take all commercially reasonable actions to defend the Collateral against, and will take such other commercially reasonable action as is necessary to remove, any lien or claim on or to the Collateral or any portion thereof, other than the security interests created hereby, and other than as permitted pursuant to the Loan Agreement, and will take all commercially reasonable actions that are necessary to defend the right, title and interest of Lender in and to any of the Collateral against the claims and demands of all persons whomsoever.

(c) Limitations on Dispositions of Collateral. Grantor will not sell, transfer or otherwise dispose of any of the Collateral other than licenses or use in the ordinary course of business, or attempt, offer or contract to do so except as permitted in the Loan Agreement.

(d) Notices. Grantor will advise Lender promptly, in reasonable detail, at Lender's address set forth in the Loan Agreement, (i) of any lien (other than liens created hereby or permitted under the Loan Agreement) on, or claim asserted against, the Collateral or any portion thereof, and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the liens created hereunder.

(e) Trademarks.

(i) Grantor (either itself or through licensees) will, except with respect to any Trademark that the Grantor shall reasonably determine is of immaterial economic value to it or otherwise reasonably determines not to do so, (A) continue to use such Trademark free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such Trademark, (C) use reasonable efforts to employ such Trademark with the appropriate notice of registration, (D) not adopt or use any mark which is confusingly similar to or a colorable imitation of such Trademark unless within 30 days after such use or adoption, Lender, for its benefit, shall obtain a perfected security interest in such mark pursuant to this Security Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(ii) Grantor will promptly notify Lender if Grantor knows, or has reason to know, that any application relating to any Trademark may become abandoned or dedicated, or of any adverse determination or material development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark office or any court or tribunal in any country) regarding Grantor's ownership of any Trademark or its right to register the same or to keep and maintain the same.

(iii) Whenever Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, Grantor shall report such filing to Lender within five business days after the last day of the fiscal quarter in which such filing occurs. Upon request of Lender, Grantor shall execute and deliver any and all reasonably necessary agreements, instruments, documents, and papers as Lender may

request to evidence Lender's security interest in any newly filed Trademark (or the application related thereto) and the goodwill and general intangibles of Grantor relating thereto or represented thereby, and Grantor hereby constitutes Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(iv) Grantor, except with respect to any Trademark which Grantor shall reasonably determine is of immaterial economic value to it, will take all reasonable and necessary steps, including, without limitation, in any proceedings before any tribunal, office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration or issuance) and to maintain each registration of Trademarks, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability when appropriate.

(v) In the event Grantor knows or has reason to know that any Trademark included in the Collateral is infringed, misappropriated or diluted by a third party, Grantor shall promptly notify Lender after it learns thereof and shall, unless Grantor shall reasonably determine that such Trademark is of immaterial economic value to Grantor which determination Grantor shall promptly report to Lender, promptly sue for infringement, misappropriation or dilution, or take such other actions as Grantor shall reasonably deem appropriate under the circumstances to protect such Trademark.

5. Lender's Appointment as Attorney-in-Fact.

(a) Powers. Grantor hereby irrevocably constitutes and appoints Lender 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 Grantor and in the name of Grantor or in its own name, from time to time after the occurrence, and during the continuation of, an Event of Default, in Lender's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, Grantor hereby gives Lender the power and right, on behalf of Grantor, without notice to or assent by Grantor, to do the following:

(i) at any time when any Event of Default shall have occurred and is continuing, in the name of Grantor or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under, or with respect to, any 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

Lender for the purpose of collecting any and all such moneys due with respect to such Collateral whenever payable;

(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 Security Agreement and to pay all or part of the premiums therefor and the costs thereof; and

(iii) (a) to direct any party liable for any payment under any of the Collateral to make payment of any and all monies due or to become due thereunder directly to Lender or as Lender shall direct, (b) to ask or demand for, collect, 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, (c) 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, (d) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral, (e) to defend any suit, action or proceeding brought against Grantor with respect to any Collateral, (f) to settle, compromise or adjust any suit, action or proceeding described in the preceding clause and, in connection therewith, to give such discharges or releases as Lender may deem appropriate, (g) to assign any Trademark (along with goodwill of the business to which such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as Lender shall in its sole discretion determine, and (h) 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 Lender were the absolute owner thereof for all purposes, and to do, at Lender's option and Grantor's expense, at any time, or from time to time, all acts and things which Lender deems necessary to protect, preserve or realize upon the Collateral and the liens of Lender thereon and to effect the intent of this Security Agreement, all as fully and effectively as Grantor might do.

Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) Other Powers. Grantor also authorizes Lender, at any time and from time to time, to execute, in connection with any sale provided for in Section 8 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on the Part of Lender. The powers conferred on Lender hereunder are solely to protect the interests of Lender in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Lender 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 partners, officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct or failure to comply with mandatory provisions of applicable law.

6. Performance by Lender of Grantor's Obligations. If Grantor fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance with such agreement, the expenses of Lender incurred in connection with such performance or compliance, together with interest thereon at the highest default rate provided in the notes described in the Loan Agreement, shall be payable by Grantor to Lender on demand and shall constitute Obligations secured hereby.

7. Proceeds. It is agreed that if an Event of Default (as defined in the Loan Agreement) shall occur and be continuing (a) all Proceeds received by Grantor consisting of cash, checks and other cash equivalents shall be held by Grantor in trust for Lender, segregated from other funds of Grantor, and shall, forthwith upon receipt by Grantor, be turned over to Lender in the exact form received by Grantor (duly endorsed by Grantor to Lender, if required), and (b) any and all such Proceeds received by Lender (whether from Grantor or otherwise) shall promptly be applied by Lender against the Obligations (whether matured or unmatured), such application to be in such order as Lender shall elect. Any balance of such Proceeds remaining after the Obligations shall have been paid in full shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive the same.

8. Remedies. If an Event of Default shall occur and be continuing, Lender may exercise, in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Lender without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any office of Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or on future delivery without assumption of any credit risk. Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Grantor, which right or equity is hereby waived or released. Grantor further agrees, at Lender's request, to assemble the Collateral and make it available to Lender at

places which Lender shall reasonably select, whether at Grantor's premises or elsewhere. Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Lender hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as Lender may elect, and only after such application and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the UCC, need Lender account for the surplus, if any, to the Grantor. To the extent permitted by applicable law, Grantor waives all claims, damages and demands it may acquire against Lender arising out of the exercise by Lender of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by Lender to collect such deficiency.

9. Limitation on Duties Regarding Preservation of Collateral. Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as Lender would deal with similar property for its own account. Neither Lender nor any of its partners, directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Grantor or otherwise.

10. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

11. Severability. 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 unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Paragraph Headings. The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

13. No Waiver; Cumulative Remedies. Lender shall not by any act (except by a written instrument pursuant to Section 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or

privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Lender of any right or remedy hereunder on any occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

14. Waivers and Amendments: Successors and Assigns. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Grantor and Lender, provided that any provision of this Security Agreement may be waived by Lender in a written letter or agreement executed by Lender or by telex or facsimile transmission from Lender. This Security Agreement shall be binding upon the successors and assigns of Grantor and shall inure to the benefit of Lender and its successors and assigns.

15. Notices. Any and all notices, elections or demands permitted or required to be made under this Agreement or any of the Loan Documents shall be made in accordance with the terms of the Loan Agreement.

16. Governing Law. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Tennessee applicable to contracts to be wholly performed in such State.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the date first above written.

GRANTOR:

BIG RIVER BREWERIES, INC., a Tennessee corporation

ATTEST:

By: [Signature]
Title: Secretary

By: [Signature]
Title: Pres.

LENDER:

NATIONSBANK OF TENNESSEE, N.A.

By: [Signature]
Title: Senior Vice President

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared H. Allen Corey, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of BIG RIVER BREWERIES, INC., the within named bargainer, a corporation, and that he as such President, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such President.

WITNESS my hand, at office in Hamilton County, Tennessee, this 30th day of January, 1998.

[Signature]
Notary Public

My Commission Expires: 3/8/98

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Lawrence Richey, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Senior Vice President of Nationsbank of Tennessee, N.A., the within named bargainor, a corporation, and that he as such Senior Vice President, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such Senior Vice President.

WITNESS my hand, at office in Hamilton County, Tennessee, this 4th day of March, 1998.

Livvie Wilson Carter
Notary Public

My Commission Expires: 10-23-2000

SCHEDULE A

<u>Trademark</u>	<u>Goods/Services</u>	<u>Serial No.</u>	<u>Reg./Use Date</u>
NEW WORLD CUISINE & FRESH BEER A1A ALEWORKS "WORTH CROSSING THE ROAD FOR!" and design	Restaurant and Beverage, serving food and beverages featuring "New World Cuisine" and handcrafted ales for consumption on premises; also, clothing, namely, shirts and hats	75/161,882	07/00/94 (use)
A1A HONEY ALE	Alcoholic beverage, namely, ale	FL T95000001106	09/07/95 (reg.) 06/01/95 (use)
RED BRICK ALE	Alcoholic beverage, namely, ale	FL T94000001576	10/10/94 (reg.) 10/01/92 (use)

C MKJ 116200V1
013694-0012 03/26/98