

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Confluence Holdings Corp.	05/16/2005

RECEIVING PARTY DATA	
Name:	American Capital Financial Services, Inc.
Street Address:	2 Bethesda Metro Center
Internal Address:	14th Floor
City:	Bethesda
State/Country:	MARYLAND
Postal Code:	20814

PROPERTY NUMBERS Total: 35

Property Type	Number
Patent Number:	6718905
Patent Number:	4227272
Patent Number:	4583480
Patent Number:	4589365
Patent Number:	4820216
Patent Number:	4980112
Patent Number:	4942840
Patent Number:	5094607
Patent Number:	5493982
Patent Number:	5648030
Patent Number:	5713295
Patent Number:	5970903
Patent Number:	6073574
Patent Number:	6729259

CH \$1400.00 6718905

Patent Number:	5544613
Patent Number:	6546891
Patent Number:	4247279
Patent Number:	4407216
Patent Number:	4421150
Patent Number:	4480579
Patent Number:	4503799
Patent Number:	4520747
Patent Number:	4681060
Patent Number:	4715311
Patent Number:	4727821
Patent Number:	4744327
Patent Number:	5039297
Patent Number:	5134964
Patent Number:	5172646
Patent Number:	5189974
Patent Number:	5367975
Patent Number:	6612252
Patent Number:	6739277
Patent Number:	6860223
Patent Number:	6644233

CORRESPONDENCE DATA

Fax Number: (202)942-5999
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 703-720-7022
Email: trademarkdocketing@aporter.com
Correspondent Name: Melissa Cross
Address Line 1: 555 Twelfth Street, N.W.
Address Line 2: IP Docketing, Arnold & Porter LLP
Address Line 4: Washington, DISTRICT OF COLUMBIA 20004

NAME OF SUBMITTER:	Elizabeth Vary
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Total Attachments: 9
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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT, entered into as of May 16, 2005, by Confluence Holdings Corp., a Delaware corporation (the "Grantor") to and in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation ("ACAS"), as agent for the Purchasers of the Senior Term B Notes, the Senior Secured Subordinated Notes and the Junior Secured Subordinated Notes identified in the Third Amended and Restated Credit and Note and Equity Purchase, Exchange and Contribution Agreement (the "Purchase Agreement") among the Grantors, ACAS and the Purchasers party thereto dated of even date herewith (in such capacity, the "Secured Party").

WITNESSETH:

WHEREAS, pursuant to the Purchase Agreement, the Purchasers have severally agreed to purchase the Senior Term B Notes, the Senior Secured Subordinated Notes and the Junior Secured Subordinated Notes (each as defined in the Purchase Agreement) (collectively, the "Notes") upon the terms and subject to the conditions set forth therein; and

WHEREAS, the Grantor is party to a Security Agreement of even date herewith in favor of the Secured Party (the "Security Agreement") and the Grantor is required to execute and deliver this Patent Security Agreement pursuant to the Security Agreement and the Purchase Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and to induce the Purchasers and the Secured Party to enter into the Purchase Agreement and to induce the Purchasers to purchase the Notes thereunder, the Grantor hereby agrees with the Secured Party as follows:

SECTION 1. **Defined Terms.** Unless otherwise defined herein, terms defined in the Purchase Agreement or in the Security Agreement and used herein have the meaning given to them in the Purchase Agreement or the Security Agreement.

SECTION 2. **Grant of Security Interest in Patent Collateral.** The Grantor, as collateral security for the full, prompt and complete payment when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the Grantor, hereby mortgages, pledges, hypothecates and grants to the Secured Party, for the benefit of the Purchasers, a Lien on and a continuing security interest in all of the Grantor's right, title and interest in the following property of the Grantor now owned or hereafter acquired (collectively, the "Patent Collateral"):

- (a) all of its Patents and Patent Licenses to which it is a party, including, without limitation, those referred to on Schedule I hereto;
- (b) all reissues, reexaminations, recontinuations, divisionals, renewals, extensions and continuations-in-part of the foregoing; and

(c) all income, royalties, proceeds, damages and other Liabilities now or hereafter due or payable or asserted under and with respect to any of the foregoing, including all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.

SECTION 3. **Grantor Remains Liable.** It is expressly agreed by the Grantor that, anything herein to the contrary notwithstanding, the Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its Patents or Patent Licenses, and shall hold the Secured Party harmless from any and all costs, damages, liabilities and expenses that may be incurred in connection with the Secured Party's interest in such Patents or Patent Licenses or any other action or failure to act in connection with this Patent Security Agreement, except to the extent the same are caused by the gross negligence or willful misconduct of the Secured Party. The Grantor shall remain liable for any and all claims by any Person that the conduct of the Grantor's business or products or processes of the Grantor infringe any rights of such person.

SECTION 4. **Security Agreement.** The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to the Secured Party pursuant to the Security Agreement and the Grantor hereby acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

SECTION 5. **Counterparts.** This Patent Security Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

SECTION 6. **Applicable Law.** THIS PATENT SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT GIVING EFFECT TO MARYLAND CHOICE OF LAW DOCTRINE.

SECTION 7. The obligations evidenced hereby are subject to the Senior Term B Notes Intercreditor Agreement and the Subordinated Notes Intercreditor Agreement, relating to the indebtedness and other liabilities owed by the Grantor under and pursuant to the Senior Credit Agreement and each related Senior Credit Document, and the Secured Party, by its acceptance hereof, acknowledges and agrees to be bound by the provisions thereof

[Signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTOR(S):
CH Holding, Corp.

By: _____
Name: Richard Feehan
Title: President

Confluence Holdings Corp.

By: _____
Name: Richard Feehan
Title: Chief Executive Officer

Confluence Watersports Canada Inc.

By: _____
Name: Miriam Beckman
Title: Chief Financial Officer

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as the Secured Party

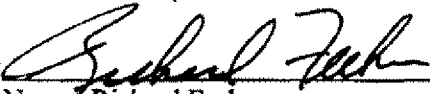
By: _____
Name: Myung Yi
Title: Principal and Vice-President

SIGNATURE PAGE TO PATENT SECURITY AGREEMENT

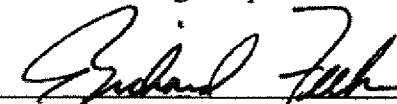
IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTOR(S):

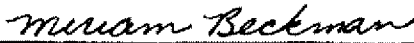
CH Holding, Corp.

By: 
Name: Richard Feehan
Title: President

Confluence Holdings Corp.

By: 
Name: Richard Feehan
Title: Chief Executive Officer

Confluence Watersports Canada Inc.

By: 
Name: Miriam Beckman
Title: Chief Financial Officer

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as the Secured Party

By: _____
Name: Myung Yi
Title: Principal and Vice-President

SIGNATURE PAGE TO PATENT SECURITY AGREEMENT

Acknowledgement of Grantor

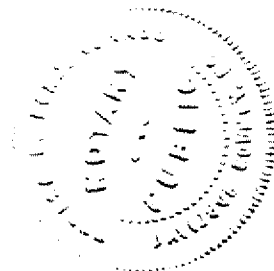
STATE OF North Carolina)

COUNTY OF Randolph)

SS.

On this 16th day of May, 2015, before me personally appeared Miriam Beckman, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Patent, who being by me duly sworn did depose and say that he/she is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors/Members and that he/she acknowledged said instrument to be the free act and deed of said corporation.

Laura S. Rendegrass
Notary Public



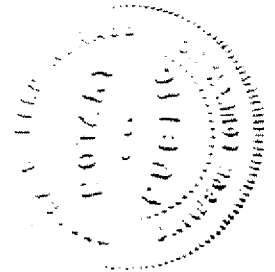
Acknowledgement of Grantor
STATE OF North Carolina

COUNTY OF Randolph

SS.

On this 6th day of May, 2005, before me personally appeared Richard Feehan, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of [Diamond], ^{CP Holding Corp.} who being by me duly sworn did depose and say that he/she is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors/Members and that he/she acknowledged said instrument to be the free act and deed of said corporation.

Lessa S. Pendugias
Notary Public



Acknowledgement of Grantor

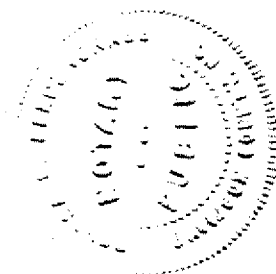
STATE OF North Carolina

COUNTY OF Randolph

SS.

On this 16th day of May , 2005 before me personally appeared Richard Feehan, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Confluence Holdings Corp, who being by me duly sworn did depose and say that he/she is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors/Members and that he/she acknowledged said instrument to be the free act and deed of said corporation.

Jessica S. Rendegrass
Notary Public



SCHEDULE I
to
Patent Security Agreement

<u>Application or Patent Number</u>	<u>Country</u>	<u>Issue or Filing Date</u>	<u>Title</u>
Patent No. 6,718,905	United States	Registration Date: 4/13/2004	Outside adjustments for paddle craft
Patent No. 4,227,272	United States	Patent Date: 10/14/1980	Supportive framework for a boat
Patent No. 4,583,480	United State	Patent Date: 4/22/1986	Kayak cockpit cover
Patent No. 4,589,365	United States	Patent Date: 5/20/1986	Open-cockpit kayak
Patent No. 4,820,216	United States	Patent Date: 4/11/1989	Adjustable kayak paddle
Patent No. 4,980,112	United States	Patent Date: 12/25/1990	Method for rotational molding
Patent No. 4,942,840	United States	Patent Date: 7/24/1990	Foot brace for kayaks
Patent No. 5,094,607	United States	Patent Date: 3/10/1992	Thermoplastic mold for rotational molding
Patent No. 5,493,982	United States	Patent Date: 2/27/1996	Kayak having improved thighstrap assembly
Patent No. 5,648,030	United States	Patent Date: 7/15/1997	Method for obtaining high definition graphics in surfaces of molded plastic objects
Patent No. 5,713,295	United States	Patent Date: 2/3/1998	Rudder system for self-propelled water craft
Patent No. 5,970,903	United States	Patent Date: 10/26/1999	Kinesthetic kayak cockpit seat assembly
Patent No. 6,073,574	United States	Patent Date: 6/13/2000	Kayak hatch cover retention system
Patent No. 6,729,259	United States	Patent Date: 5/4/2004	Outfitting system for a kayak
Patent No. 5,544,613	United States	Patent Date: 8/13/1996	Foot rest for boats
Patent No. 6,546,891	United States	Patent Date: 4/15/2003	Captured seat for self-propelled watercraft and method for forming same
Patent No. 4,247,279	United States	Patent Date: 1/27/1981	Rotational molding system
Patent No. 4,407,216	United States	Patent Date: 10/4/1983	Frame system for kayak
Patent No. 4,421,150	United States	Patent Date: 12/20/1983	Waterproof bag device for articles

Patent No. 4,480,579	United States	Patent Date: 11/6/1984	Kayak with adjustable rocker
Patent No. 4,503,799	United States	Patent Date: 3/12/1985	Combination flotation storage and seating structures for boats
Patent No. 4,520,747	United States	Patent Date: 6/4/1984	Breakaway kayak cockpit and method
Patent No. 4,681,060	United States	Patent Date: 7/21/1987	Kayak frame section and method
Patent No. 4,715,311	United States	Patent Date: 12/29/1987	Variable volume kayak hull
Patent No. 4,727,821	United States	Patent Date: 3/1/1988	Detachable pod and kayak
Patent No. 4,744,317 ²	United States	Patent Date: 5/17/1988	Mock-linking apparatus for joining two pieces of knitted fabric
Patent No. 5,039,297	United States	Patent Date: 8/13/1991	Rotational molding apparatus
Patent No. 5,134,964	United States	Patent Date: 8/4/1992	Flexible security loop for kayaks
Patent No. 5,172,646	United States	Patent Date: 12/22/1992	Canoe with asymmetrical hull
Patent No. 5,189,974	United States	Patent Date: 3/2/1993	Kayak catamaran
Patent No. 5,367,975	United States	Patent Date: 11/29/1994	Kayak cockpit cover with retention edge
Patent No. 6,612,252	United States	Patent Date: 9/2/2003	Combination remote adjust foot brace and rudder control
Patent No. 6,739,277	United States	Patent Date: 5/25/2004	Adjustable centerline foot brace system
Patent No. 6,860,223	United States	Patent Date: 3/1/2005	Self-propelled personal watercraft
Patent No. 6,644,233	United States	Patent Date: 11/11/03	Adjustable thigh brace