

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
Ballistic Recovery Systems, Inc.	08/05/2009
Advanced Tactical Fabrication, Inc.	08/05/2009
BRS De Mexico S.A. DE C.V.	08/05/2009
RECEIVING PARTY DATA	
Name:	Anchor Bank Saint Paul, N.A.
Street Address:	1570 Concordia Avenue
City:	St. Paul
State/Country:	MINNESOTA
Postal Code:	55104
PROPERTY NUMBERS Total: 4	
Property Type	Number
Patent Number:	D440716
Patent Number:	D475814
Patent Number:	D478409
Patent Number:	6056241
CORRESPONDENCE DATA	
Fax Number:	(612)349-9266
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	6123499266
Email:	goette@ptslaw.com
Correspondent Name:	Paul C. Onderick
Address Line 1:	80 South 8th Street
Address Line 2:	4800 IDS Center
Address Line 4:	Minneapolis, MINNESOTA 554022100
ATTORNEY DOCKET NUMBER:	4270.01-00-01

OP \$160.00 D440716

NAME OF SUBMITTER:

Paul C. Onderick

Total Attachments: 9

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SECURITY AGREEMENT –INTELLECTUAL PROPERTY

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "I.P. Security Agreement") is executed as of this 5th day of August, 2009, by and between Ballistic Recovery Systems, Inc. , a corporation formed in accordance with the laws of the state of Minnesota with an address at 380 Airport Road, South St. Paul, Minnesota 55075; Advanced Tactical Fabrication, Inc. a corporation formed in accordance with the laws of the state of Minnesota with an address at 380 Airport Road, South St. Paul, Minnesota 55075; and BRS de Mexico S.A. de C.V. a corporation formed in accordance with the laws of the State of Minnesota with an address at 380 Airport Rd, South St. Paul, MN (collectively, the "Grantors") and Anchor Bank Saint Paul, N.A., (the "Grantee"), with an address at 1570 Concordia Ave., St. Paul, MN 55104 This IP Security Agreement is incorporated into and made part of those certain respective General Security Agreements dated as of August 5, 2009, by and between each of the Grantors and the Grantee (each a "General Security Agreement"). This IP Security Agreement and the respective General Security Agreement of which it is a part, are both entered into in connection with and in furtherance of the terms of that certain Agreement (the "Overall Agreement") dated as of August 5, 2009, by and among the Grantors and Grantee

As collateral security for the obligations under the Overall Agreement (including and extending to all obligations under a note by Ballistic Recovery Systems, Inc. dated August 15, 2007, in the original amount of \$820,000.00, all extensions, renewals and refinancing thereof [if any, there being no agreement for any such extensions, renewals or refinancing] and also including and extending to guaranties thereof by each of the other two Grantors) (such obligations being collectively referred to as the "Obligations"), the Grantors have agreed to grant a security interest in the Intellectual Property Collateral (as hereinafter defined). The Grantee desires to have its lien and security interest in such Intellectual Property Collateral confirmed by a document identifying such security interest and in such form as may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the General Security Agreement and for other good, valuable and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the Obligations, the Grantors do hereby assign and grant to the Grantee a lien and security interest in (a) all of each Grantors' right, title and interest in and to all of its respective business property and general intangibles now existing and hereafter acquired relating to the business of Grantors, including, without limitation, the following:

- (i) trademarks, trademark registrations, trademark applications, tradenames and tradestyles, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, tradenames,

service marks and applications and registrations thereof listed on Schedule A attached hereto and hereby made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, royalties, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, tradenames and tradestyles, service marks and applications and registrations thereof, together with the items described in clauses (a) through (d) of this subsection 1 (i), are sometimes hereinafter referred individually as a "**Trademark**", and, collectively, as the "**Trademarks**"); and

- (ii) copyrights and copyright applications, including, without limitation, the copyrights and copyright applications listed on Schedule A attached hereto and hereby made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights and applications and registrations thereof, together with the items described in clauses (a) through (d) of this subsection 1 (ii), are sometimes hereinafter referred individually as a "**Copyright**" and, collectively, as the "**Copyrights**").
- (iii) patents and patent applications, including, without limitation, the patents and patent applications listed on Schedule A attached hereto and hereby made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and patent applications thereof, together with the items described in clauses (a) through (d) of this subsection 1 (iii), are sometimes hereinafter referred individually as a "**Patent**", and, collectively, as the "**Patents**").
- (iv) any data, information, trade secret, design, invention, process, procedure, protocol, technology, technique, formula, know-how, intellectual property rights, specifications, technical data, software, electronic information, source code, domain names, financial information and records, methods of doing business, business structure, management information systems data, scientific and technical information, manufacturing information and techniques, product and services information, price lists and pricing

information, costing information and techniques, lists of sources of materials used, costs of material, supplier lists and information, customer lists and information, sales information, manuals, materials, letters, notes, reports, of the Grantors' business technologies and know-how, regardless of the form in which such information appears and whether or not such information has been reduced to a tangible form, sometimes hereinafter referred to as "**Proprietary Information**".

- (v) any reissue, extension, division, continuation or continuation-in-part of the Patents;
- (vi) proceeds of any and all of the foregoing (the Copyrights, Patents, Trademarks, Proprietary Information, reissue, extension, division, continuation or continuation-in-part of the Patents and proceeds being herein referred to collectively as the "**Intellectual Property Rights**"); and

(b) all rights, interests, claims and demands that the Grantors or any of them has or may have in existing and future profits and damages for past and future infringements of the Intellectual Property Rights (such rights, interests, claims and demands being herein called the "**Claims**") (the Intellectual Property Rights and Claims collectively referred to as the "**Intellectual Property Collateral**").

2. Representations and Warranties. The Grantors each warrant and represent to the Grantee that: (a) each Grantor is the true and lawful exclusive owner of the Intellectual Property Collateral set forth on Schedule A, to the full extent therein stated; (b) the Intellectual Property Collateral is, to the best of Grantor's knowledge, valid and enforceable; (c) the Grantors each have full power and authority to execute and deliver this I.P. Security Agreement; (d) each Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Intellectual Property Collateral and the interests granted herein; and (e) the Intellectual Property Collateral and all interests granted herein are so granted free from all liens, charges, claims, options, licenses, pledges and encumbrances of every kind and character except as indicated in Schedule B.

3. Covenants. The Grantors further each covenant to the Grantee that: (a) until all of the Obligations have been satisfied in full, each Grantor will not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantors' obligations under this I.P. Security Agreement; and (b) if the Grantor acquires rights to any new Intellectual Property Collateral related to the Grantors' business, the provisions of this I.P. Security Agreement shall automatically apply thereto and the applicable Grantor shall give the Grantee prompt written notice thereof along with an amended Schedule A; provided, however, that notwithstanding anything to the contrary contained in this Agreement, each Grantor shall have the right to enter into agreements in the ordinary course of business with respect to the Intellectual Property Collateral.

4. **Maintenance of Intellectual Property Collateral.** Each Grantor further covenants that: until all of the Obligations have been satisfied in full, it will (i) not enter into any agreements, including without limitation, license agreements, which are inconsistent with the Grantor's undertakings and covenants under this I.P. Security Agreement or which restrict or impair the Grantee's rights hereunder and (ii) maintain the Intellectual Property Collateral in full force and effect.

5. **Negative Pledge.** Until obligations to Grantee as satisfied, each Grantor shall not sell, assign or further encumber its rights and interest in the Intellectual Property Collateral without prior written consent of the Grantee.

6. **Remedies Upon Default.**

(a) The term "default" under this agreement is defined in the Overall Agreement and in the General Security Agreement. Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or a breach or an Event of Default exists under the Overall Agreement or the General Security Agreement, the Grantor hereby covenants and agrees that the Grantee, as the holder of a security interest under the Uniform Commercial Code, may take such action permitted under the Overall Agreement and the General Security Agreement or permitted by law, in its exclusive discretion, to foreclose upon the Intellectual Property Collateral covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Overall Agreement or the General Security Agreement, and while such default, breach, or Event of Default exists, the Grantor hereby authorizes and empowers the Grantee to make, constitute and appoint any officer or agent of the Grantee as the Grantee may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Grantee to use the Intellectual Property Collateral or to grant or issue any exclusive or non-exclusive license under the Intellectual Property Collateral to anyone else, or necessary for the Grantee to assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral itself or to anyone else. This power of attorney shall be irrevocable for the life of this I.P. Security Agreement, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this I.P. Security Agreement shall be recorded with the Patent and Trademark Office in Washington, D.C.

7. **Prosecution of Patent Applications.**

Each Grantor shall, at its own expense, diligently maintain all patents and diligently file and prosecute all patent applications relating to the inventions described and claimed in the Intellectual Property Collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith, and shall not abandon any such application prior to the exhaustion of all administrative and judicial remedies or disclaim or dedicate any Patent without the prior written

consent of the Grantee. Each Grantor shall not abandon any Intellectual Property Collateral without the prior written consent of the Grantee.

8. Amendment or Modification. This I.P. Security Agreement may not be modified or amended without the written agreement of the parties hereto. No course of dealing between any of the Grantors and the Grantee, nor any failure to exercise, nor any delay in exercising, on the part of the Grantee, any right, power or privilege hereunder or under the Settlement Documents shall operate as a waiver thereof, and all of the Grantee's rights and remedies with respect to the Intellectual Property Collateral, whether established hereby or by the Overall Agreement, the General Security Agreement, or by any other future agreements between the Grantor and the Grantee or by law, shall be cumulative and may be exercised singularly or concurrently.

9. Termination of Agreement. Upon payment and performance of all Obligations under the Overall Agreement and the General Security Agreement, the Grantee shall execute and deliver to the Grantor all documents necessary to terminate the Grantee's security interest in the Intellectual Property Collateral.

10. Counterparts. This I.P. Security Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this I.P. Security Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this I.P. Security Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

ANCHOR BANK SAINT PAUL, N.A.

BY: 

ITS: Sr. Vice President

BALLISTIC RECOVERY SYSTEMS, INC.

BY: 

ITS: CEO

BRS DE MEXICO S.A. DE C.V.

BY: 

ITS: CEO

ADVANCED TACTICAL FABRICATION,
INC.

BY: 

ITS: CEO

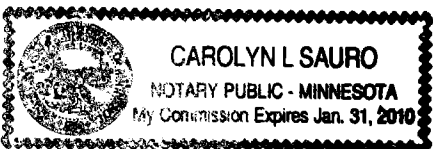
STATE OF MN)
)
COUNTY OF Dakota) SS:

On this, the 5th day of August, 2009, before me, a Notary Public, personally appeared Larry E. Williams, who acknowledged himself/herself to be the CEO of Ballistic Recovery Systems, Inc., and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Ballistic Recovery Systems, Inc. as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Carolyn L. Sauro
Notary Public

My commission expires: 1-31-10



Carolyn L. Sauro
Print Name of Notary

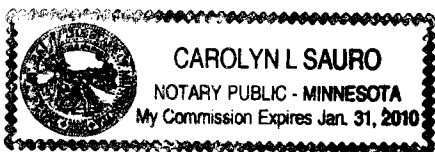
STATE OF MN)
)
COUNTY OF Dakota) SS:

On this, the 5th day of August, 2009, before me, a Notary Public, personally appeared Larry E. Williams, who acknowledged himself/herself to be the CEO of Advanced Tactical Fabrication, Inc., and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Advanced Tactical Fabrication, Inc. as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Carolyn L. Sauro
Notary Public

My commission expires: 1-31-10



Carolyn L. Sauro
Print Name of Notary

STATE OF MN)
COUNTY OF Dakota) ss:

On this, the 5th day of August 2009, before me, a Notary Public, personally appeared Larry E. Williams, who acknowledged himself/herself to be the CEO of BRS De Mexico S.A. de C.V., and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said BRS De Mexico S.A. de C.V. as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



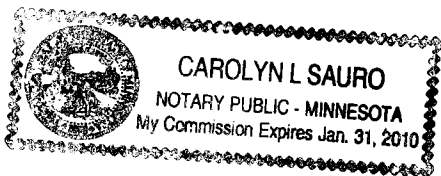
Carolyn L. Sauro
Notary Public
Carolyn L. Sauro
Print Name of Notary

STATE OF MN)
COUNTY OF Dakota) ss:

On this, the 5th day of August 2009, before me, a Notary Public, personally appeared Gregory P. Olson, who acknowledged himself/herself to be the SVP of Anchor Bank Saint Paul, N.A., and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Anchor Bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires: 1-31-10



Carolyn L. Sauro
Notary Public
Carolyn L. Sauro
Print Name of Notary

SCHEDULE A TO SECURITY AGREEMENT - INTELLECTUAL PROPERTY

Intellectual Property Assets

(i) Trademarks

3,152,604	DEFINING AVIATION SAFETY
1,930,995	VIS-MAT
2,108,867	BRIGHTWEAR
2,902,055	ELMO
2,912,179	VIS-TAC
2,952,803	ELMO-LYTE
2,908,121	LYTE TAILS
3,307,825	ELMO-AMERICA
3,221,140	VORTEX

(ii) Copyrights

None

(iii) Patents

US 6,056,241	THIN FILM PARACHUTE WITH CONTINUOUS LATERAL REINFORCING FIBERS
US D440,716	ENHANCED VISIBILITY SAFETY GARMENT
US D475,814	HIGH VISIBILITY, LOAD BEARING TACTICAL VEST
US D478,409	ENHANCED VISIBILITY SAFETY HAT

SCHEDULE B TO SECURITY AGREEMENT - INTELLECTUAL PROPERTY

A security agreement between the following has been recorded with the U.S. Patent and Trademark Office against the Trademark and Patent listed below:

Debtor
Ballistic Recovery Systems, Inc.
380 Airport Road
South St. Paul, Minnesota 55075

Secured Party
Charles F. Parsons and
Aerospace Marketing, Inc.
10440 Schmultz Road
Ft. Meyers, Florida 33908

(i) Trademarks

3,152,604 DEFINING AVIATION SAFETY

(ii) Copyrights

None

(ii) Patents

6,056,241 THIN FILM PARACHUTE WITH CONTINUOUS
LATERAL REINFORCING FIBERS