

**RECORDATION FORM COVER SHEET  
PATENTS ONLY**

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Colt Defense LLC

Execution Date(s) September 29, 2011

Additional names of conveying parties attached?  Yes  
 No

2. Name and address of receiving party(ies)

Name: Wells Fargo Capital Finance, LLC

Internal  
Address:

Street Address: One Boston Place, 18<sup>th</sup> Floor

City: Boston

State: MA

Country: USA

Zip: 02108

Additional names, addresses, or citizenship attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Government Interest
- Executive Order 9424, confirmatory License
- Other
- Merger
- Change of Name

4. Application or patent number(s)

A. Patent Application No. (s)  
See Attached Schedule I

This document is being filed together with a new application.

B. Patent No.(s)  
See Attached Schedule I

Additional numbers attached?  Yes  No

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

Name: Susan O'Brien

Internal Address: CT Lien Solutions

Street Address: 187 Wolf Road, Suite 101

City: Albany

State: New York

Zip: 12205

Phone Number: 800-342-3676

Fax Number: 800-962-7049

Email Address: cls-udsalbany@wolterskluwer.com

6. Total number of applications and registrations involved: 33

7. Total fee (37 CFR 1.21(h) & 3.41) \$1320.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

8. Payment information:

a. Credit Card Last 4 Numbers 5683

Expiration Date 10/12

b. Deposit Account Number

Authorized User Name:

9. Signature: \_\_\_\_\_

*Kareem Ansley*  
Signature

Kareem Ansley  
Name of Person Signing

September 29, 2011

Date

Total number of pages including cover sheet, attachments, and document. 9

Documents to be recorded (including cover sheet) should be faxed to (703) 308-8995, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

OP \$1280.00 08670661

SCHEDULE I  
to  
PATENT SECURITY AGREEMENT

**Patents:**

Colt Defense LLC

**Active Colt Defense US Patents/Applications**

Case No.	Title	Inventor	Status	App. No.	Patent No.
879-006416-US(PAR)	Gas operated firearm	Taylor, J.F. Harris, M.R.	Issued	08/670,661	5,726,377
879-006416-US(DOI)	Gas operated firearm	Taylor, J.F. Harris, M.R.	Issued	08/957,140	5,827,992
879-006880-US(PAR)	Gas operated firearm with clamp on gas block	Robbins, L.	Issued	08/925,960	5,945,626
879-007968-US(PAR)	Firearm magazine cartridge converter	Daigle, A.	Issued	09/190,693	6,070,352
879-010991-US(PAR)	Firearm adapter rail system	Battaglia, V.	Issued	10/174,225	6,792,711
879P011702-US(PAR)	Firearm fire control selector	Hochstrate, P.	Issued	10/836,443	7,654,187
879P011843-US(PAR)	Modular firearm	Hochstrate, P. Robbins, L. Daigle, A.	Issued	11/154,738 11/352,036 (CIP)	7,131,228
879P011966-US(PAR)	Firearm having an indirect operating system	Dorsey, J. Kuczynko, G.	Issued	11/231,063	7,610,844
879-012421-US(PAR)	Firearm fire control selector	Huther, J.	Published	11/351,631	
879P012453-US(PAR)	Law enforcement carbine with one piece receiver	Hochstrate, P. Daigle, A. Rozum, G.	Issued	11/672,189	7,775,150
879P012676-US(PAR)	Firearm having removable modules	Kuczynko, G.	Published	12/100,268	
879P012677-US(PAR)	Automatic or semiautomatic rifle with folding stock	Kuczynko, G. Langevin, K. Hochstrate, P.	Issued	11/869,679	7,966,761
879P013079-US(PAR)	Automatic or semiautomatic rifle with folding clamshell buttstock	Langevin, K. Hochstrate, P. Mistry, S. Hartsig, W. Thune, G.	Pending	12/246,452	
	Firearm with gas operating system	Hochstrate, P. Robbins, L. Daigle, A.	Pending	13/103663	
879P012453	Law enforcement carbine with one piece receiver	Hochstrate, P. Daigle, A. Robbins, L.	Granted	12/857189	7,938,055
879P011966	Firearm having an indirect gas operating system	Kuczynko, G. Dorsey, J.	Granted	12/610854	7,934,447
	Firearm having an indirect gas operating system	Kuczynko, G. Dorsey, J.	Pending	13/100084	
879P013156	Firearm having a hybrid	Hochstrate, P.	Pending	12/559047	

Case No.	Title	Inventor	Status	App. No.	Patent No.
	indirect gas operating system	Audibert, K. Josey, M.			
879P013079	Automatic or semiautomatic rifle with folding clamshell buttstock	Langevin, K. Thune, G. Mistry, S. Hartsig, W. Hochstrate, P. Audibert, K.	Pending	12/246452	
879P012676	Firearm having removable modules	Kuczynko, G.	Pending	11/869676	
879-011702	Firearm fire control selector	Hochstrate, P. LaPlante, M.	Allowed	12/697776	
879P012980	Portable firing berm	Bavaro, F. Bavaro, S.	Published	12/238965	
879P013587	Firearm having a direct gas impingement operating system	Langevin, K.	Pending	12/557815	
879P013850	Trigger and hammer for automatic and semi-automatic rifles	Audibert, K. Langevin, K.	Published	12/898474	
879P013989	Convertible firearm		Pending	12/898610	
879P013989	Firearm	Robbins, L. Audibert, K.	Pending	29/386652	
	Modular firearm	Audibert, K. Langevin, K.	Pending	61/475149	
879P013989	Firearm	Robbins, L. Audibert, K.	Pending	29/373283	
	Improved extractor	Langevin, K.	Pending	61/475487	
	Locking front sight for a firearm and firearm with locking front sight	Langevin, K. Josey, M.	Pending	61/498226	
	Modular rail system and firearm with modular rail system	Langevin, K. Josey, M. Camera, D.	Pending	61/481697	
	Automatic or semiautomatic rifle with folding stock	Kuczynko, G. Langevin, K. Hochstrate, P.	Pending	13/170159	

**PATENT SECURITY AGREEMENT**

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this 29<sup>th</sup> day of September, 2011, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and Wells Fargo Capital Finance, LLC, a Delaware limited liability company ("WFCF"), in its capacity as agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, "Agent").

**WITNESSETH:**

WHEREAS, pursuant to that certain Credit Agreement dated even date herewith (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among Colt Defense LLC, a Delaware limited liability company ("Parent"), certain affiliates of Parent, the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders") and Agent, the Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the members of Lender Group are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, but only upon the condition, among others, that the Grantors shall have executed and delivered to Agent, for the benefit of the Secured Parties, that certain Security Agreement, dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Secured Parties, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Credit Agreement.

2. **GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.** Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit each Secured Party, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Patent Collateral"):

(a) all of its Patents including those referred to on Schedule I;

(b) all divisionals, continuations, continuations-in-part, reissues, reexaminations, or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement of any Patent or any Patent exclusively licensed under any Intellectual Property License, including the right to receive damages, or right to receive license fees, royalties, and other compensation under any Patent Intellectual Property License.

3. SECURITY FOR SECURED OBLIGATIONS. This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the other Secured Parties or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of the Secured Parties, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent 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. To the extent there is any inconsistency between this Patent Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patent application or issued patent or become entitled to the benefit of any patent application or patent for any divisional, continuation, continuation-in-part, reissue, or reexamination of any existing patent or patent application, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantors hereby authorize Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such new patent rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Security Agreement.

7. CONSTRUCTION. This Patent Security Agreement is a Loan Document. Unless the context of this Patent Security Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Patent Security Agreement refer to this Patent Security Agreement as a whole and not to any particular provision of this Patent Security Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Patent Security Agreement unless otherwise specified. Any reference in this Patent Security Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein shall be satisfied by the transmission of a Record.

8. THE VALIDITY OF THIS PATENT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

9. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS PATENT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. AGENT AND EACH GRANTOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 9.

10. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AGENT AND EACH GRANTOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. AGENT AND EACH GRANTOR REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH

KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS PATENT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[Signature Page Follows]

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

GRANTORS:

COLT DEFENSE LLC

By: 

Name: SCOTT R. FLAHERTY  
Title: CFO

AGENT:

ACCEPTED AND ACKNOWLEDGED BY:

WELLS FARGO CAPITAL FINANCE, LLC,  
as Agent

By: \_\_\_\_\_

Name:  
Title:

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Patent Security Agreement

PATENT  
REEL: 027000 FRAME: 0734



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

GRANTORS:

COLT DEFENSE LLC

By: \_\_\_\_\_

Name:

Title:

AGENT:

ACCEPTED AND ACKNOWLEDGED BY:

WELLS FARGO CAPITAL FINANCE, LLC,  
as Agent

By: 

Name: CASIMIR MAZURKIEWICZ

Title: DIRECTOR

Patent Security Agreement