

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)

GROEN BROTHERS AVIATION, INC.
GROEN BROTHERS AVIATION USA, INC.
GROEN BROTHERS AVIATION INTERNATIONAL, LLC

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s) November 1, 2011

- | | |
|---|---|
| <input type="checkbox"/> Assignment | <input type="checkbox"/> Merger |
| <input checked="" type="checkbox"/> Security Agreement | <input type="checkbox"/> Change of Name |
| <input type="checkbox"/> Joint Research Agreement | |
| <input type="checkbox"/> Government Interest Assignment | |
| <input type="checkbox"/> Executive Order 9424, Confirmatory License | |
| <input type="checkbox"/> Other | |

2. Name and address of receiving party(ies)

Name: EPSILON GLOBAL MASTER FUND LP

Internal Address:

Street Address: GRAND RUE 3
6TH FLOOR

City: MONTREUX

State:

Country: SWITZERLAND Zip: CH-1820

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

4. Application or patent number(s): ☐ This document is being filed together with a new application.

A. Patent Application No.(s)

61/626,783
13/282,749

B. Patent No.(s)

Additional numbers attached? ☒ Yes ☐ No

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

Name: PATENT GROUP

DLA PIPER LLP (US)

Street Address: 203 N. LaSalle St., Suite 1900

City: Chicago

State: Illinois, 60601

Phone Number: (312) 368-4000

Fax Number: (312) 236-7516

Email Address: patentschgo@dlapiper.com

6. Total number of applications and patents involved: 8

7. Total fee (37 CFR 1.21(h) & 3.41) \$320.00

- | |
|--|
| <input type="checkbox"/> Authorized to be charged by credit card |
| <input checked="" type="checkbox"/> Authorized to be charged to deposit account |
| <input type="checkbox"/> Enclosed |
| <input type="checkbox"/> None required (government interest not affecting title) |

8. Payment Information

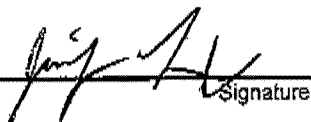
a. Credit Card Last 4 Numbers

Expiration Date

b. Deposit Account Number 18-2284

Authorized User Name: Jennifer E. Lacroix

9. Signature:


Signature

Jennifer E. Lacroix, Reg. No. 46,852

Name of Person Signing

December 22, 2011

Date

Total number of pages including cover sheet, attachments, and documents 8

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

CH \$320.00 182284 6162678

Additional Patent Application Numbers

13/282,780

13/282,815

13/282,877

13/282,938

13/283,461

13/282,985

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (the "Patent Security Agreement"), dated as of November 1, 2011, by and among (a) GROEN BROTHERS AVIATION, INC., a Utah corporation (the "Parent"), (b) GROEN BROTHERS AVIATION USA, INC., a Utah corporation (the "GBA USA"), (c) GROEN BROTHERS AVIATION INTERNATIONAL, LLC, a Delaware limited liability company ("GBA LLC" and together with GBA USA, the "Subsidiary Guarantors"), and their respective successors and assigns (collectively with the Parent and the Subsidiary Guarantors, the "Grantors"), and (d) EPSILON GLOBAL MASTER FUND LP, a Cayman Islands exempted limited partnership (the "Lender").

WITNESSETH:

WHEREAS, reference is made herein to (i) that certain Amended and Restated Security Agreement, effective as of January 20, 2009 (as amended and as the same may from time to time be further amended, restated, supplemented or otherwise modified, the "A&R Security Agreement"), by and among the Parent, GBA USA and the lenders from time to time party thereto; (ii) that certain Amended and Restated Intellectual Property Security Agreement, effective as of October 9, 2008 (as amended and as the same may from time to time be further amended, restated, supplemented or otherwise modified, the "IP Security Agreement"), by and among the Parent, GBA USA and the lenders from time to time party thereto; (iii) that certain Security Agreement, made as of August 3, 2010 (as amended and as the same may from time to time be further amended, restated, supplemented or otherwise modified, the "GBA LLC Security Agreement"), by and between GBA LLC and the Lender; (iv) that certain Security Agreement dated as of May 6, 2011, but effective as of April 11, 2011, by and among the Grantors and the Lender (as amended and as the same may from time to time be further amended, restated, supplemented or otherwise modified, the "Dividend Note Security Agreement"); and (v) that certain Intellectual Property Security Agreement dated as of May 6, 2011, but effective as of April 11, 2011, by and among the Grantors and the Lender (as amended and as the same may from time to time be further amended, restated, supplemented or otherwise modified, the "Dividend Note Intellectual Property Security Agreement" and, together with the A&R Security Agreement, the IP Security Agreement, the GBA LLC Security Agreement and the Dividend Note Security Agreement, the "Security Agreements");

WHEREAS, pursuant to the Security Agreements, the Parent and each of the Subsidiary Guarantors have granted to the Lender a continuing security interest in and a continuing lien on all or substantially all of the assets of the Grantors, including their intellectual property, to secure the prompt and complete payment by the Parent of, among things, all loans and advances from the Lender to the Parent and all other obligations of the Parent to the Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce the Lender, for the benefit of the Grantors, to consent to certain actions taken by the Grantors, each Grantor hereby agrees with the Lender as follows:

SECTION 1. Defined Terms. Capitalized terms used herein but not defined herein shall have the meaning ascribed to such terms in the A&R Security Agreement.

SECTION 2. Grant of Security Interest in Patent Collateral. Each Grantor hereby grants to the Lender for its benefit a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to, the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "Collateral"):

- (a) Patents of the Grantor listed on Schedule I attached hereto;
- (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of each Grantor accruing thereunder or pertaining thereto;
- (c) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and
- (d) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

SECTION 3. Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the security interest granted under Section 2 hereof attach to any lease, license, contract, property rights or agreement to which a Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (a) the abandonment, invalidation or unenforceability of any right, title or interest of the Grantor therein or (b) a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity), provided however that, in the case of either (a) or (b) above, such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (a) or (b) above.

SECTION 4. Security Agreements. The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to the Lender pursuant to the Security Agreements and each Grantor hereby acknowledges and affirms that the rights and remedies of the Lender with respect to the security interest in the Patents made and granted hereby are more fully set forth in the respective Security Agreements, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Patent Security Agreement is deemed to conflict with any Security

Agreement, the provisions of the respective Security Agreement shall control unless the Lender shall otherwise determine.

SECTION 5. Termination. Upon the payment in full or other satisfaction in full of the obligations giving rise to the security interests granted pursuant to the Security Agreements, the Lender shall, at the Parent's expense, execute and deliver to the Parent any documents or instruments in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Patents under this Patent Security Agreement.

SECTION 6. Counterparts. This Patent Security Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Patent Security Agreement by signing and delivering one or more counterparts.

[Signature pages follow]

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.

Very truly yours,

**GROEN BROTHERS AVIATION USA,
INC.**

By: [Signature]
Name: David Green
Title: Chairman, President and CEO

GROEN BROTHERS AVIATION, INC.

By: [Signature]
Name: David Green
Title: Chairman, President and CEO

**GROEN BROTHERS AVIATION
INTERNATIONAL, LLC**

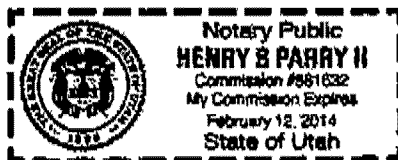
By: Groen Brothers Aviation, Inc., its Manager

By: [Signature]
Name: David Green
Title: President and CEO

STATE OF UTAH)
 §
COUNTY OF SALT LAKE)

I, Henry B. Parry II, a notary public, in and for the county and state aforesaid, do hereby certify that the above named person appeared before me this day in person and acknowledged that (s)he signed the above and foregoing instrument as his/her free and voluntary act and as the free and voluntary act of said corporation pursuant to authority granted to him/her by the board of directors of said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 1st day of November, 2011



[Signature]

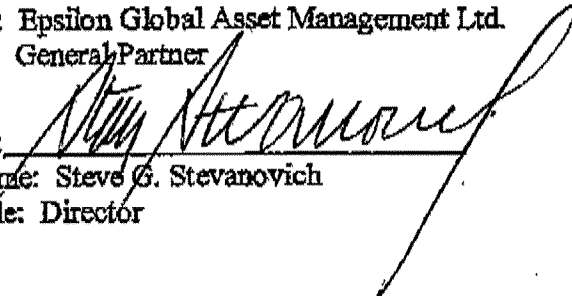
Notary Public

My commission expires: FEB 12, 2014

Accepted and Agreed:

EPSILON GLOBAL MASTER FUND LP

By: Epsilon Global Asset Management Ltd.
Its: General Partner

By: 
Name: Steve G. Stevanovich
Title: Director

Signature Page to
Patent Security Agreement

PATENT
REEL: 027485 FRAME: 0156

SCHEDULE I
to
PATENT SECURITY AGREEMENT
PATENT REGISTRATIONS AND PATENT APPLICATIONS

Jurisdiction	Title	Serial No.	Filing Date	Record Owner
U.S.	Precision-Load-Delivery Rotorcraft Apparatus and Method	61/626,783	October 3, 2011	Groen Brothers Aviation, Inc.
Converted Patents				
U.S.	Tail Fan Apparatus and Methods for Low Speed Yaw Control of a Rotorcraft	13/282,749	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Gyroplane Prerotation by Compressed Air	13/282,780	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Tail Jet apparatus and Method of Low Speed Yaw Control of a Rotorcraft	13/282,815	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Mission-Adaptive Rotor Blade	13/282,877	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Rotor Driven Auxiliary Power Apparatus and Method	13/282,938	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Detachable Rotor Blade Fairing Apparatus and Method	13/283,461	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Use of Auxiliary Rudders for Yaw Control at Low Speed	13/282,985	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Rotor Blade Spar Manufacturing Apparatus and Method	No serial number received	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Rotor Blade Subsystems Attachment	No serial number received	October 27, 2011	Groen Brothers Aviation, Inc.
U.S.	Rotor Hub Compressed Air System and Method	No serial number received	October 27, 2011	Groen Brothers Aviation, Inc.

October 2011