

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT								
NATURE OF CONVEYANCE:	PATENT SECURITY AGREEMENT								
CONVEYING PARTY DATA									
<table border="1"> <thead> <tr> <th>Name</th> <th>Execution Date</th> </tr> </thead> <tbody> <tr> <td>ONE INDUSTRIES, LLC</td> <td>09/20/2012</td> </tr> <tr> <td>ONE INDUSTRIES CORP.</td> <td>09/20/2012</td> </tr> <tr> <td>VALENCIA SPORT GROUP, INC.</td> <td>09/20/2012</td> </tr> </tbody> </table>		Name	Execution Date	ONE INDUSTRIES, LLC	09/20/2012	ONE INDUSTRIES CORP.	09/20/2012	VALENCIA SPORT GROUP, INC.	09/20/2012
Name	Execution Date								
ONE INDUSTRIES, LLC	09/20/2012								
ONE INDUSTRIES CORP.	09/20/2012								
VALENCIA SPORT GROUP, INC.	09/20/2012								
RECEIVING PARTY DATA									
Name:	City National Bank, as Agent								
Street Address:	555 South Flower Street, 16th Floor								
City:	Los Angeles								
State/Country:	CALIFORNIA								
Postal Code:	90071								
PROPERTY NUMBERS Total: 1									
<table border="1"> <thead> <tr> <th>Property Type</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Patent Number:</td> <td>7975321</td> </tr> </tbody> </table>		Property Type	Number	Patent Number:	7975321				
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Patent Number:	7975321								
CORRESPONDENCE DATA									
Fax Number:	2136270705								
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>									
Phone:	213.683.5698								
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Correspondent Name:	Minette M. Tayco, c/o Paul Hastings LLP								
Address Line 1:	515 S. Flower Street, 25th Floor								
Address Line 4:	Los Angeles, CALIFORNIA 90071								
ATTORNEY DOCKET NUMBER:	TRIPLE7(38468.26): PATENT								
NAME OF SUBMITTER:	Minette M. Tayco								
<p>Total Attachments: 14 source=CNB_Triple 7 - FULLY EXECUTED Patent Security Agreement#page1.tif source=CNB_Triple 7 - FULLY EXECUTED Patent Security Agreement#page2.tif</p>									

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PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement"), dated as of September 20, 2012, is entered into by and among, **ONE INDUSTRIES, LLC**, a Delaware limited liability company ("Parent"), **ONE INDUSTRIES CORP.**, a Delaware corporation ("One Industries"), **VALENCIA SPORT GROUP, INC.**, a Delaware corporation ("Valencia"; Valencia, together with One Industries, are referred to hereinafter each individually as a "Borrower", and individually and collectively, and jointly and severally, as the "Borrowers"; and together with Parent, are referred to hereinafter each individually as a "Debtor", and individually and collectively, and jointly and severally, as the "Debtors"), and **CITY NATIONAL BANK**, a national banking association, as the arranger and administrative agent for the below-defined Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent"), with reference to the following:

WHEREAS, Parent, Borrowers, the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders", and together with Agent, individually and collectively, and jointly and severally, the "Lender Group"), and Agent are, contemporaneously herewith, entering into that certain Third Amended and Restated Loan and Security Agreement of even date herewith (as amended, restated, modified, renewed or extended from time to time, the "Loan Agreement"), pursuant to which the Lender Group has agreed to make certain financial accommodations to Borrowers, and pursuant to which each Borrower has granted to Agent for the benefit of the Lender Group and the Bank Product Providers security interests in (among other things) all of the general intangibles of such Borrower;

WHEREAS, contemporaneously herewith, Parent is executing and delivering that certain Guarantor Security Agreement ("Security Agreement") in favor of Agent in connection with the Loan Agreement; and

WHEREAS, pursuant to the Loan Agreement and as one of the conditions precedent to the obligations of the Lenders under the Loan Agreement, each Debtor has agreed to execute and deliver this Agreement to Agent for filing with the PTO (as defined below) and with any other relevant recording systems in any domestic or other jurisdiction, and as further evidence of and to effectuate Agent's existing security interests in the patents and other general intangibles described herein.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Debtors hereby agree in favor of Agent, for the benefit of the Lender Group and the Bank Product Providers, as follows:

1. Definitions; Interpretation.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Agent" has the meaning ascribed to such term in the preamble to this Agreement.

“Agreement” has the meaning set forth in the preamble hereto.

“Bank Product Providers” has the meaning ascribed to such term in the Loan Agreement.

“Code” means the Uniform Commercial Code in effect from time to time in the State of California.

“Debtor” and “Debtors” have the respective meanings set forth in the preamble hereto.

“Event of Default” has the meaning set forth in the Loan Agreement.

“Lender” and “Lenders” have the respective meanings set forth in the recitals to this Agreement.

“Lender Group” has the meaning ascribed to such term in the recitals to this Agreement.

“Loan Agreement” has the meaning set forth in the recitals hereto.

“Patent Collateral” has the meaning set forth in Section 2.

“Patents” has the meaning set forth in Section 2.

“Proceeds” means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Patent Collateral, including “proceeds” as such term is defined in the Code, and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of any Debtor, from time to time in respect of any of the Patent Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of any Debtor from time to time with respect to any of the Patent Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to any Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Patent Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Patent Collateral or for or on account of any damage or injury to or conversion of or infringement of rights in any Patent Collateral by any Person.

“PTO” means the United States Patent and Trademark Office and any successor thereto.

“Secured Obligations” means, with respect to the Debtors, all liabilities, obligations (including the Obligations), or undertakings owing by the Debtors to the Lender Group or any Bank Product Provider of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, the Guaranty, the Security Agreement, this Agreement, or any of the other Loan Documents, irrespective of

whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest, costs, fees, and expenses (including attorneys' fees), or indemnity obligations (including any portion of any of the foregoing that accrues after the commencement of an Insolvency Proceeding, whether or not allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding) and any and all other amounts which the Debtors are required to pay pursuant to any of the foregoing, by law, or otherwise.

“Security Agreement” has the meaning set forth in the recitals hereto.

“United States” and “U.S.” each mean the United States of America.

(b) Terms Defined in Code. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the Code.

(c) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereby,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation.”

(v) References to agreements and other contractual instruments shall be deemed to include all alterations, amendments, changes, extensions, modifications, renewals, restatements, 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).

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) Capitalized words not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

(ix) Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the Lender Group or any Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the Lender Group and Debtors.

(x) In the event of a direct conflict between the terms and provisions of this Agreement, on the one hand, and the Loan Agreement or the Security Agreement, on the other hand, it is the intention of the parties hereto that such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict between this Agreement, on the one hand, and the Loan Agreement or the Security Agreement, on the other hand, that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement or the Security Agreement, as applicable, shall control and govern; provided, that the inclusion herein of additional obligations on the part of the Debtors and supplemental rights and remedies in favor of Agent (whether under federal law or applicable California law), in each case in respect of the Patent Collateral, shall not be deemed in conflict with either the Loan Agreement or the Security Agreement.

(xi) 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.

(xii) Any reference herein to the satisfaction, repayment, or payment in full of the Obligations or the Secured Obligations shall mean (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (ii) all Lender Group Expenses that have accrued and are unpaid regardless of whether demand has been made therefor, and (iii) all fees or charges that have accrued hereunder or under any other Loan Document and are unpaid, (b) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing cash collateral to be held by Agent for the benefit of the Lenders in an amount equal to 105% of the Letter of Credit Usage pursuant to the terms of the Loan Agreement, (c) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing cash collateral (in an amount determined by Agent as sufficient to satisfy the reasonably estimated credit exposure to be held by Agent for the benefit of the Lenders with respect to the Bank Product Obligations), (d) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys’ fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, (e) the payment or

repayment in full in immediately available funds of all other outstanding Obligations other than unasserted contingent indemnification Obligations, and (f) the termination of the Lenders' obligation to make Advances, Letters of Credit or any other extensions of credit.

(xiii) Any reference herein to any Person shall be construed to include such Person's successors and assigns.

(xiv) Any requirement of a writing contained herein shall be satisfied by the transmission of a Record.

2. Security Interest.

(a) Assignment and Grant of Security Interests. To secure the prompt payment and performance of the Secured Obligations, each Debtor hereby grants, assigns, transfers and conveys to Agent, for the benefit of the Lender Group and the Bank Product Providers, continuing security interests in all of such Debtor's right, title and interest in and to the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Patent Collateral"):

(i) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held, or used by such Debtor in whole or in part, including all existing U.S. patents and patent applications of such Debtor which are described on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and together with and including all patent licenses held by such Debtor, including such patent licenses which are described on Schedule A hereto, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including all license royalties and proceeds of infringement suits (collectively, the "Patents");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Patents and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles related to or arising out of any of the Patents and all the goodwill of such Debtor's business symbolized by the Patents or associated therewith; and

(iv) all Proceeds of any and all of the foregoing Patent Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Agent is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Patent Collateral.

(b) Continuing Security Interests. Each Debtor agrees that this Agreement shall create continuing security interests in the Patent Collateral which shall remain in effect until terminated in accordance with Section 18.

(c) Incorporation into the Loan Agreement and the Security Agreement. This Agreement shall be fully incorporated into the Loan Agreement and the Security Agreement and all understandings, agreements and provisions contained in the Loan Agreement and the Security Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Patent Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement and the Security Agreement.

3. Further Assurances; Appointment of Agent as Attorney-in-Fact. Each Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Agent any and all documents and instruments, in form and substance reasonably satisfactory to Agent, and take any and all action, which Agent may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Agent's security interests in the Patent Collateral held by Agent for the benefit of the Lender Group and the Bank Product Providers and to accomplish the purposes of this Agreement. If any Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is reasonably requested to execute and deliver by Agent in accordance with the foregoing, Agent shall have the right, in the name of such Debtor, or in the name of Agent or otherwise, without notice to or assent by such Debtor, and such Debtor hereby irrevocably constitutes and appoints Agent (and any of Agent's officers or employees or agents designated by Agent) as such Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of such Debtor on all or any of such documents or instruments and perform all other acts that Agent reasonably deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Agent's security interests in the Patent Collateral held by Agent for the benefit of the Lender Group and the Bank Product Providers, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of such Debtor, which Agent may deem necessary or advisable to maintain, preserve and protect the Patent Collateral and to accomplish the purposes of this Agreement, including (A) upon the occurrence and during the continuance of an Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Patent Collateral, (B) upon the occurrence and during the continuance of an Event of Default, to assert or retain any rights under any license agreement for any of the Patent Collateral, and (C) upon the occurrence and during the continuance of an Event of Default, to execute any and all applications, documents, papers and instruments for Agent to use the Patent Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Patent Collateral, and to assign, convey or otherwise transfer title in or dispose of the Patent Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 18; provided, that the foregoing power of attorney shall terminate when all of the Secured Obligations have been fully and finally repaid and performed and the Lender Group's obligation to extend credit under the Loan Agreement is terminated.

4. Representations and Warranties. Each Debtor represents and warrants to each member of the Lender Group, as follows:

(a) No Other Patents. **Schedule A** sets forth, a true and correct list of all of the existing Patents (whether registered or otherwise), or for which any application for registration has been filed with the PTO or any similar agency in any other jurisdiction, or any corresponding or similar patent office of any other U.S. jurisdiction or in any other jurisdiction, and that are owned or held (whether pursuant to a license or otherwise) and used by such Debtor.

(b) Validity. Each of the Patents listed in **Schedule A** is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and each of the Patents is valid and enforceable.

(c) Title. (i) Such Debtor has rights in and good and defensible title to its Patent Collateral, (ii) with respect to the Patent Collateral shown on **Schedule A** hereto as owned by it, such Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than Permitted Liens), including licenses, registered user agreements and covenants by such Debtor not to sue third persons, and (iii) with respect to any material Patents for which such Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Patent, each such license or licensing agreement is in full force and effect, such Debtor is not in material default of any of its obligations thereunder and, other than (A) the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by such Debtor or any such licensor regarding such Patent, the parties to any other such non-exclusive licenses or license agreements entered into by such Debtor or any such licensor with any other Person, no other Person has any rights in or to any of the Patent Collateral.

(d) No Infringement. (i) No material infringement or unauthorized use presently is being made of any of the Patent Collateral by any Person, and (ii) the past, present and contemplated future use of the Patent Collateral by such Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(e) Powers. Such Debtor has the unqualified right, power and authority to pledge and to grant to Agent, for the benefit of the Lender Group and the Bank Product Providers, security interests in all of the Patent Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. Each Debtor covenants that so long as this Agreement shall be in effect, such Debtor shall:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents;

(b) promptly give Agent written notice of the occurrence of any event that could have a material adverse effect on any of the Patents or the Patent Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Patents for which such Debtor is a licensee;

(c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents,

including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or advisable or may be reasonably requested by Agent to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure each such Debtor's compliance with this Agreement or to enable Agent to exercise and enforce its rights and remedies hereunder with respect to the Patent Collateral. Without limiting the generality of the foregoing sentence, such Debtor:

(i) hereby authorizes Agent in its sole discretion if such Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Agent, to modify this Agreement without first obtaining such Debtor's approval of or signature to such modification by amending Schedule A hereof to include a reference to any right, title or interest in any existing Patent Collateral or any Patent Collateral acquired or developed by such Debtor after the execution hereof, or to delete any reference to any right, title or interest in any Patent Collateral in which such Debtor no longer has or claims any right, title or interest;

(ii) hereby authorizes Agent, in its sole discretion, to file one or more financing or continuation statements, if such Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is requested to execute and deliver by Agent, any amendments thereto, relative to all or any portion of the Patent Collateral, without the signature of such Debtor where permitted by law; and

(iii) hereby authorizes Agent in its sole discretion to file this Agreement at the PTO or any similar agency in any other U.S. jurisdiction or in any other jurisdiction;

(d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the Patent Collateral and do all other acts and take all other measures which, in such Debtor's reasonable business judgment, may be necessary or desirable to preserve, protect and maintain the Patent Collateral and all of such Debtor's rights therein, including diligently prosecute any material patent application pending as of the date of this Agreement or thereafter;

(e) comply with each of the terms and provisions of this Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of such Debtor under this Agreement without Agent's prior written consent; and

(f) not permit the inclusion in any contract to which such Debtor becomes a party of any provision that could or might impair or prevent the creation of a security interest in favor of Agent in such Debtor's rights and interest in any property included within the definition of Patent Collateral acquired under such contracts without Agent's prior written consent.

6. Future Rights. If and when any Debtor shall obtain rights to any new Patents, or any reissue, renewal or extension of any Patents, the provisions of this Agreement shall automatically apply thereto and such Debtor shall give to Agent prompt notice thereof.

Each Debtor shall do all things reasonably deemed necessary or advisable by Agent to ensure the validity, perfection, priority and enforceability of the security interests of Agent in such future acquired Patent Collateral. If any Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Agent in connection herewith, such Debtor hereby authorizes Agent to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on such Debtor's behalf and as its attorney-in-fact to include any future Patents which are or become Patent Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO or any similar agency in any other U.S. jurisdiction or in any other jurisdiction.

7. Duties of Agent and the Lender Group. Notwithstanding any provision contained in this Agreement, none of Agent, any other member of the Lender Group or the Bank Product Providers shall have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to any Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Agent, any other member of the Lender Group or the Bank Product Providers hereunder or in connection herewith, none of Agent, any other member of the Lender Group or the Bank Product Providers shall have any duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Patent Collateral.

8. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement shall constitute an Event of Default hereunder.

9. Remedies. Upon the occurrence and during the continuation of an Event of Default, Agent shall have all rights and remedies available to it under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Patent Collateral or any other Collateral. Each Debtor agrees that such rights and remedies include the right of Agent as a secured party to sell or otherwise dispose of its Collateral after default, pursuant to the Code. Each Debtor agrees that Agent shall at all times have such royalty-free licenses, to the extent permitted by law, for any Patent Collateral that is reasonably necessary to permit the exercise of any of Agent's rights or remedies upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any tangible asset of any Debtor in which Agent has a security interest, including Agent's rights to sell inventory, tooling or packaging which is acquired by any Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Agent shall have the right but shall in no way be obligated to bring suit, or to take such other action as Agent deems reasonably necessary or advisable, in the name of any Debtor or Agent, to enforce or protect any of the Patent Collateral, in which event such Debtor shall, at the request of Agent, do any and all lawful acts and execute any and all documents required by Agent in aid of such enforcement. To the extent that Agent shall elect not to bring suit to enforce such Patent Collateral, such Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by each Debtor and Agent for the benefit of the Lender Group and the Bank Product Providers and their respective successors and assigns.

11. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, except to the extent that the validity or perfection of the security interests hereunder in respect of any Patent Collateral are governed by federal law, in which case such choice of California law shall not be deemed to deprive Agent of such rights and remedies as may be available under federal law.

13. Entire Agreement; Amendment. This Agreement, the Loan Agreement and the Security Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties as provided in the Loan Agreement and the Security Agreement. The foregoing notwithstanding, Agent may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

15. Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. Loan Agreement. Each Debtor acknowledges that the rights and remedies of Agent with respect to the security interests in the Patent Collateral granted hereby are more fully set forth in the Loan Agreement and the other Loan Documents and all such rights and remedies are cumulative.

17. No Inconsistent Requirements. Each Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and each Debtor agrees that all


such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

18. Termination. Upon the payment and performance in full in cash of the Secured Obligations, including the cash collateralization (in accordance with the terms of the Loan Agreement), expiration, or cancellation of all Secured Obligations, if any, consisting of Letters of Credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate, and Agent shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtors, at Debtors' expense, as shall be necessary to evidence termination of the security interests granted by Debtors to Agent for the benefit of the Lender Group and the Bank Product Providers hereunder, including cancellation of this Agreement by written notice from Agent to the PTO.


[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

ONE INDUSTRIES, LLC,
a Delaware limited liability company

By: 
Name: Kevin Cantrell
Title: Secretary

ONE INDUSTRIES CORP.,
a Delaware corporation

By: 
Name: Kevin Cantrell
Title: President and Secretary

VALENCIA SPORT GROUP, INC.,
a Delaware corporation

By: 
Name: Kevin Cantrell
Title: President and Secretary

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

CITY NATIONAL BANK,
a national banking association, as Agent

By: 
Name: Rick Sawyer
Title: Senior Vice President

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

SCHEDULE A

to the Patent Security Agreement

<u>Owner</u>	<u>Patent</u>	<u>Country</u>	<u>Issue Date</u>	<u>Patent Number</u>
Valencia Sport Group, Inc.	COMBINATION NECK BRACE INCORPORATED INTO A BODY PROTECTOR	U.S.	07/12/11	7975321