

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2656598

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	NOTICE OF SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
TIPPMANN SPORTS, LLC	12/13/2013
RECEIVING PARTY DATA	
Name:	HSBC BANK CANADA
Street Address:	2001 MCGILL COLLEGE
Internal Address:	SUITE 300
City:	MONTREAL
State/Country:	CANADA
Postal Code:	H3A 1G1
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7900622
CORRESPONDENCE DATA	
Fax Number:	(716)852-6100
Phone:	(716) 847-8400
Email:	spiatkowski@phillipslytle.com
<i>Correspondence will be sent via US Mail when the email attempt is unsuccessful.</i>	
Correspondent Name:	PHILLIPS LTYLE LLP
Address Line 1:	INTELLECTUAL PROPERTY GROUP
Address Line 2:	ONE CANALSIDE
Address Line 4:	BUFFALO, NEW YORK 14203
ATTORNEY DOCKET NUMBER:	14422.106
NAME OF SUBMITTER:	SHARON A. PIATKOWSKI
Signature:	/Sharon A. Piatkowski/
Date:	12/20/2013

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Total Attachments: 8

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SECURITY AGREEMENT – PATENTS

Dated: December ___, 2013

FOR VALUE RECEIVED, TIPPMANN SPORTS, LLC, a Delaware limited liability company with an office at 34B Catoctin Circle, Leesburg, Virginia 20175 (“Company”) and **HSBC BANK CANADA**, with an office at 2001 McGill College, Suite 300, Montreal, Quebec H3A 1G1 (“Bank”) agree as follows:

1. **Security Interest.** Company hereby grants to Bank a security interest (“Security Interest”) in all its right, title and interest, whether now owned or hereafter owned or acquired by Company, in and to: (i) all inventions used by Company in Company’s business, including, without limitation, all inventions described on Schedule A hereto (collectively, “Inventions”); (ii) all letters patent and foreign patents issued on, and applications for letter patent or foreign patents filed in connection with, the Inventions, whether issued to or filed by Company or to or by another and subsequently assigned to Company, including, without limitation, all letters patent and foreign patents described on Schedule A together with any reissue, continuation, continuation-in-part or extension thereof (collectively, “Letters Patent”); and the applications therefor, including, without limitation, all applications described on Schedule A (collectively, “Applications”); (iii) all licenses of the use of the Letters Patent, including, without limitation, all licenses described on Schedule A (collectively, “Licenses”); and (iv) all proceeds of all of the foregoing in any form, including, without limitation, any claim by Company against third parties for past, present or future infringement or dilution of any of the Letters Patent (collectively, “Collateral”).

2. **Indebtedness Secured.** The Security Interest secures payment of any and all Indebtedness (as hereinafter defined) of Company and G.I. Sportz Inc. to Bank. As used in this Security Agreement, “Indebtedness” shall mean any and all indebtedness and other liabilities of Company to Bank, whether now existing or hereafter incurred, of every kind and character, whether such Indebtedness is from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred; indebtedness not yet outstanding, but contracted for, or with respect to which any other commitment by Bank exists; all interest provided in any instrument, document or agreement (including this Security Agreement) which accrues on any indebtedness until payment of such indebtedness in full; any moneys payable as hereinafter provided; and any debts owed or to be owed by Company to others which Bank has obtained, or may obtain, by assignment or otherwise; including, without limitation, all such Indebtedness arising out of a Guarantee from Company to Bank dated of even date herewith, as the same may be amended or supplemented from time to time.

3. **Representations and Warranties.** Company represents and warrants, and, so long as this Security Agreement is in effect, shall be deemed continuously to represent and warrant that, except as set forth on Schedule A: (a) the Letters Patent and Applications are subsisting; (b) Company has a genuine, valid, subsisting interest in the Collateral and knows of no defect in its title thereto; (c) Company has not heretofore alienated, assigned, encumbered, or otherwise disposed of the Collateral, including, without limitation, the Inventions, there are no suits or actions commenced or threatened against Company with reference to the Collateral; and (e) Company is authorized to enter into this Security Agreement.

4. **Covenants of Company.** So long as this Security Agreement is in effect, Company: (a) will defend the Collateral against the claims and demands of all other parties and, at its own expense, bring suit in the name of Company at the request of Bank for infringement against infringers of the Letters Patent and any letters patent and foreign patents then granted on the Applications, provided, Bank, if Bank finds it necessary or desirable, may prosecute others for infringement and may join Company as a party-plaintiff; will keep the Collateral free from all security interests or other encumbrances, except the Security Interest and will not sell, transfer, assign, license, deliver, renounce or otherwise dispose of any Collateral or any interest therein without the prior written consent of Bank; (b) will promptly notify Bank of any suit for infringement brought against Company and shall promptly furnish Bank copies of all documents in connection with any such suit; (c) will notify Bank promptly in writing of any change in Company's business address or chief executive office specified above or in any change in its state of organization; (d) in connection herewith, authorizes Bank to file such financing statements and will execute and deliver to Bank such assignments and other documents and do such other things relating to the Collateral and the Security Interest as Bank may reasonably request, pay all costs of title searches and filing financing statements, assignments, this Security Agreement and other documents in all public offices reasonably requested by Bank; (e) will pay all taxes, assessments and other charges of every nature which may be imposed, levied or assessed against Company or any of Company's assets; (f) shall promptly notify Bank of any application for reissue of any of Letters Patent and any letters patent and foreign patents when issued and of any interference or other proceeding involving any of the Collateral; (g) shall, on request of Bank, give associate powers of attorney to any attorney or attorneys designated by Bank to prosecute all applications or proceedings in the United States Patent and Trademark Office; (h) shall diligently prosecute the Applications and any other application for letters patent or for foreign patents in connection with the Inventions which Company deems appropriate, shall pay the final fee and other disbursements in connection therewith and shall not permit any abandonment of the Applications without the written consent of Bank; and (i) shall mark or cause to be marked all articles, devices and machines made or sold by it, covered by any of Letters Patent, and any letters patent or foreign patents when issued, with the word "Patent" and the number of any such patent, or patents, applicable thereto, or such other notice as is required by law.

5. **Events of Default.**

(a) Any of the following events or conditions shall constitute an event of default hereunder ("Event of Default"): (i) nonpayment when due, whether by acceleration or otherwise, of principal of or interest on any Indebtedness; or (ii) default by Company in the performance of any obligation, term or condition of this Security Agreement; or (iii) an Event of Default under the General Security Agreement from the Company to the Bank dated of even date herewith, as the same may be amended or supplemented from time to time (the "General Security Agreement").

(b) Bank, at its sole election, may declare all or any part of any Indebtedness not payable on demand to be immediately due and payable without demand or notice of any kind upon the happening and during the continuation of any Event of Default (other than an event of default under either Section 10(a)(iii) or 10(a)(iv) of the General Security Agreement). All or any part of any Indebtedness not payable on demand shall be immediately

due and payable without demand or notice of any kind upon the happening of one or more events of default under Section 10(a)(iii) or 10(a)(iv) of the General Security Agreement. The provisions of this paragraph are not intended in any way to affect any rights of Bank with respect to any Indebtedness which may now or hereafter be payable on demand.

(c) Bank's rights and remedies with respect to the Collateral shall be those of a secured party under the Uniform Commercial Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Company and Bank. Upon the existence or occurrence of an Event of Default, Bank may make, use, or sell the Inventions, license others to do so, and may further assign the Letters Patent and Applications.

(d) Without in any way requiring notice to be given in the following time and manner, Company agrees that any notice by Bank of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to Company if such notice is mailed by regular or certified mail, postage prepaid, at least ten (10) days prior to such action, to Company's address specified above or to any other address which Company has specified in writing to Bank as the address to which notices hereunder shall be given to Company.

(e) Company agrees to pay on demand all costs and expenses incurred by Bank in enforcing this Security Agreement, in realizing upon or protecting any Collateral and in enforcing and collecting any Indebtedness or any guaranty thereof, including, without limitation, if Bank retains counsel for advice, suit, appeal, insolvency or other proceedings under the Federal Bankruptcy Code or otherwise, or for any of the above purposes, the reasonable attorneys' fees incurred by Bank. Payment of all sums hereunder is secured by the Collateral.

6. **Miscellaneous.**

(a) Company hereby authorizes Bank, at Company's expense, to file such financing statement or statements relating to the Collateral as Bank at its option may deem appropriate, and appoints Bank as Company's attorney-in-fact (without requiring Bank) to perform all other acts which Bank deems appropriate to perfect and continue the Security Interest and to protect, preserve and realize upon the Collateral.

(b) Intentionally omitted.

(c) Upon Company's failure to perform any of its duties hereunder, Bank may, but shall not be obligated to perform any or all such duties, including, without limitation, payment of taxes, assessments, insurance and other charges and expenses as herein provided, and Company shall pay an amount equal to the cost thereof to Bank on demand by Bank. Payment of all moneys hereunder shall be secured by the Collateral.

(d) Unless any instrument, document or agreement evidencing any Indebtedness expressly provides a rate for the accrual of interest after such Indebtedness becomes due, the rate at which interest on such Indebtedness shall accrue after such Indebtedness becomes due, whether by reason of default or otherwise and until such Indebtedness is paid in

full, shall be at the rate provided in such instrument, document or agreement which is in effect immediately prior to such Indebtedness becoming due.

(e) No course of dealing between Company and Bank, and no delay or omission by Bank in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Bank may remedy any default by Company hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Company. All rights and remedies of Bank hereunder are cumulative.

(f) Company authorizes Bank, without notice or demand and without affecting Company's obligations hereunder, from time to time: (i) to exchange, enforce or release any collateral or any part thereof (other than the Collateral) taken from any party for payment of the Indebtedness or any part thereof; (ii) to release, substitute or modify any obligation of any indorser, guarantor or other party in any way obligated to pay the Indebtedness or any part thereof, or any party who has given any security, mortgage or other interest in any other collateral as security for the payment of the Indebtedness or any part thereof; (iii) to direct the order or manner of disposition of the Collateral and any and all other collateral and the enforcement of any and all indorsements, guaranties and other obligations relating to the Indebtedness or any part thereof, as Bank, in its sole discretion, may determine; and (iv) to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness or any part thereof.

(g) The rights and benefits of Bank hereunder shall, if Bank so directs, inure to any party acquiring any interest in the Indebtedness or any part thereof.

(h) The Bank and Company as used herein shall include the successors or assigns of those parties.

(i) No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made, except by a written agreement subscribed by Company and by a duly authorized officer of Bank.

(j) This Security Agreement and the transaction evidenced hereby shall be construed under the laws of New York State, as the same may from time to time be in effect.

(k) All terms, unless otherwise defined in this Security Agreement, shall have the definitions set forth in the Uniform Commercial Code adopted in New York State, as the same may from time to time be in effect.

(l) Following the occurrence of an Event of Default, for so long as such Event of Default is continuing, Company hereby irrevocably appoints Bank the Company's agent with full power, in the same manner, to the same extent and with the same effect as if Company were to do the same; to receive and collect all mail addressed to Company; to direct the place of delivery thereof to any location designated by Bank; to open such mail; to remove

all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; and to perform all other acts which Bank deems appropriate to protect, preserve and realize upon the Collateral. The agency hereby created is unconditional and shall not terminate until all of the Indebtedness is paid in full and until all commitments by Bank to lend funds to Company have expired or been terminated.

(m) This Security Agreement is and is intended to be a continuing Security Agreement and shall remain in full force and effect until the officer in charge of the Department of Bank located at the address specified above shall actually receive from Company written notice of its discontinuance; provided, however, this Security Agreement shall remain in full force and effect thereafter until all of the Indebtedness outstanding, or contracted or committed for (whether or not outstanding), before the receipt of such notice by Bank, and any extensions or renewals thereof (whether made before or after receipt of such notice), together with interest accruing thereon after such notice, shall be finally and irrevocably paid in full. If, after receipt of any payment of all or any part of the Indebtedness, Bank is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, this Security Agreement shall continue in full force notwithstanding any contrary action which may have been taken by Bank in reliance upon such payment, and any such contrary action so taken shall be without prejudice to Bank's rights under this Security Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

Doc #01-2738552.1

[Signature Page Follows]

IN WITNESS WHEREOF, Company has executed this Agreement as of the date first above written.

TIPPMANN SPORTS, LLC
By: *[Signature]*
its sole and managing member
Name: Mitchell Greenspoon
Title: _____

PROVINCE OF QUEBEC)
CITY OF MONTREAL) SS:
)

On the 13th day of December in the year 2013, before me, the undersigned, personally appeared Mitchell Greenspoon, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Commissioner of Oaths



[Signature Page - Security Agreement - Patents]

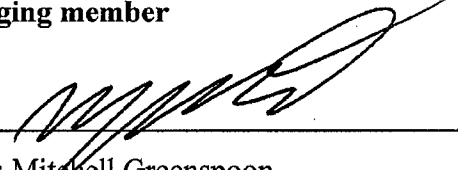
NOTICE OF SECURITY INTEREST

Notice is hereby given that **TIPPMANN SPORTS, LLC**, a Delaware limited liability company with its principal place of business located at 34B Catoctin Circle, Leesburg, Virginia 20175, has granted a security interest to **HSBC BANK CANADA**, with an office at 2001 McGill College, Suite 300, Montreal, Quebec H3A 1G1 ("Bank") in and to all of the patents listed on Schedule A and the applications and registrations associated therewith, pursuant to an agreement between Company and Bank dated of even date herewith and as the same may be amended or supplemented from time to time.

Dated: December 13, 2013

TIPPMANN SPORTS, LLC

By: Tippmann Acquisition Corp., its sole and managing member

By: 

Name: Mitchell Greenspoon

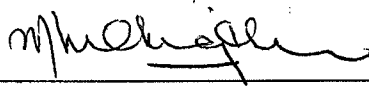
Title: _____

PROVINCE OF QUEBEC)

) SS:

CITY OF MONTREAL)

On the 13th day of December in the year 2013, before me, the undersigned, personally appeared Mitchell Greenspoon, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Commissioner of Oaths



Schedule A

PATENT FILES STATUS SHEET

<u>TITLE</u>	<u>APPL/PATENT NO.</u>	<u>FILING DATE</u>	<u>STATUS</u>
Paintball Marker with User Selectable Firing Modes	7,900,622	03/08/2011	Issued

Doc #01-2738552.1