

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT4570243

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
PACIFIC SAFETY PRODUCTS, INC.	08/25/2017
RECEIVING PARTY DATA	
Name:	VIRTUS GROUP, LP
Street Address:	1301 FANNIN STREET
Internal Address:	17TH FLOOR
City:	HOUSTON
State/Country:	TEXAS
Postal Code:	77002
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	10248975
CORRESPONDENCE DATA	
Fax Number:	(704)503-2622
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	(704)503-2600
Email:	vbantug@kslaw.com
Correspondent Name:	KING & SPALDING
Address Line 1:	100 N TRYON STREET
Address Line 2:	SUITE 3900
Address Line 4:	CHARLOTTE, NORTH CAROLINA 28202
ATTORNEY DOCKET NUMBER:	18876.009011
NAME OF SUBMITTER:	VICKY R. BANTUG
SIGNATURE:	/Vicky R. Bantug/
DATE SIGNED:	08/29/2017
Total Attachments: 7	
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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this “Agreement”) is made as of the 25th day of August, 2017, by and among VIRTUS GROUP, LP, a Texas limited partnership, in its capacity as agent for the Lenders (as hereinafter defined), having an office at 1301 Fannin Street, 17th Floor, Houston, Texas 77002 (together with its successors in such capacity, “Agent”), and the Grantor listed on the signature pages hereto (the “Grantor”).

Recitals:

WHEREAS, pursuant to that certain Second Amended and Restated Term Loan and Security Agreement, dated as of November 18, 2016 (as further amended, restated, modified, supplemented, or otherwise modified from time to time, the “Loan Agreement”), by and among MAUI ACQUISITION CORP., a Delaware corporation (“Holdings”), SAFARILAND, LLC, a Delaware limited liability company and successor by merger to each of Rogers Holster Co., LLC, a Florida limited liability company, HolsterOps, LLC, a Florida limited liability company, and Tactical Command Industries, Inc., a California corporation (“Safariland”), SAFARILAND GLOBAL SOURCING, LLC, a Delaware limited liability company (“Global Sourcing”), HORSEPOWER, LLC, a Delaware limited liability company (“Horsepower”), MUSTANG SURVIVAL HOLDINGS, INC., a Delaware corporation (“Mustang Holdings”), MUSTANG SURVIVAL, INC., a Washington corporation (“Mustang Survival”), MUSTANG SURVIVAL MFG, INC., a Delaware corporation (“Mustang Manufacturing”), MED-ENG, LLC, a Delaware limited liability company (“Med-Eng”), SENCAN HOLDINGS, LLC, a Delaware limited liability company (“Sencan Holdings”), ATLANTIC TACTICAL, INC., a Pennsylvania corporation and successor by merger to Atlantic Tactical of New Jersey Inc., a New Jersey corporation (“ATI”), VIEVU, LLC, a Washington limited liability company (“Vievu” and, together with Holdings, Safariland, Global Sourcing, Horsepower, Mustang Holdings, Mustang Survival, Mustang Manufacturing, Med-Eng, TCI, Sencan Holdings and ATI, collectively, “US Borrowers”), LAW MEN’S DISTRIBUTION, LLC, a Delaware limited liability company (“Lawmen’s Distribution”), SAFARILAND DISTRIBUTION, LLC, a Delaware limited liability company (“Safariland Distribution”), and UNITED UNIFORM DISTRIBUTION, LLC, a Delaware limited liability company (“United Uniform” and, together with Lawmen’s Distribution and Safariland Distribution, the “US Guarantors”), MUSTANG SURVIVAL ULC, a British Columbia unlimited liability company (“Mustang Canada”), MED-ENG HOLDINGS ULC, a British Columbia unlimited liability company (“Med-Eng Holdings” and, together with Mustang Canada, collectively, the “Canadian Borrowers” and, together with the US Borrowers and the US Guarantors, collectively, the “Obligors”), the Lenders (as defined in the Loan Agreement) and Agent, as agent for the Lenders, the Lenders have agreed to make loans and other financial accommodations to Borrowers from time to time pursuant to the terms, and subject to the conditions, of the Loan 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, the Grantor hereby agrees with Agent as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.
2. To secure the prompt payment and performance of all of the Obligations, the Grantor hereby grants, assigns and pledges to Agent, for the benefit of the Secured Parties, a continuing security interest in and Lien upon all of the following property of the Grantor, whether now existing or hereafter created or acquired (collectively, the “Patent Collateral”):

(a) The entire right, title and interest in and to the patent applications and patents owned by the Grantor and listed in Exhibit A attached hereto (as the same may be amended from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof (all of the foregoing being herein collectively referred to as the "Patents"); and

(b) All proceeds of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

3. The Grantor covenants with and warrants to Agent that:

(a) Each of its Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) The Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of its Patents, free and clear of any Liens other than Permitted Liens;

(c) The Grantor has the unqualified right to enter into this Agreement and perform its terms; and

(d) Except for expired Patents and Patents abandoned by the Grantor in the Ordinary Course of Business (provided such abandonment could not reasonably be expected to have a Material Adverse Effect), the Grantor will continue to make all appropriate filings with the United States Patent and Trademark Office and any applicable foreign filing offices to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office and any applicable foreign filing offices for each of its Patents to maintain it without loss of protection therefor, except with respect to Patents that the Grantor has determined are no longer material to the conduct of its business.

4. If, before Full Payment of all of the Obligations, the Grantor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 2 shall automatically apply thereto and the Grantor shall give to Agent prompt notice thereof in writing.

5. The Grantor irrevocably authorizes and empowers Agent to modify this Agreement by amending Exhibit A to include any future patents and patent applications (it being understood and agreed that Agent will endeavor to use commercially reasonable efforts to give the Grantor three Business Days' prior written notice before filing any amendment with the United States Patent and Trademark Office or applicable foreign filing office).

6. The Grantor hereby grants to Agent (and its employees and agents), the visitation, audit, and inspection rights with respect to the Grantor and the Patent Collateral as set forth in the Loan Agreement.

7. At any time that an Event of Default exists, Agent shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies of a secured party under the UCC or the PPSA and all other rights and remedies under Applicable Law. Without limiting the generality of the foregoing, at any time an Event of Default exists, Agent may immediately, for the benefit of Secured Parties, without demand of performance and without other notice (except as described in the next sentence, if required by Applicable Law) or demand whatsoever to the Grantor, each of which the Grantor hereby expressly waives, and without advertisement (except as

otherwise provided by Applicable Law), collect directly any payments due the Grantor in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon the whole or from time to time any of the Patent Collateral, or any interest which the Grantor may have therein. The Grantor hereby agrees that ten (10) days' notice to the Grantor of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Agent may, to the extent permitted by Applicable Law, purchase the whole or any part of the Patent Collateral sold, free from any right of redemption on the part of the Grantor, which right the Grantor hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all reasonable costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations, in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after Full Payment of all of the Obligations shall be paid over to the Grantor. If any deficiency shall arise, the Grantor and each guarantor of the Obligations shall remain jointly and severally liable therefor.

8. The Grantor hereby makes, constitutes and appoints Agent, and any officer or agent of Agent as Agent may select, as the Grantor's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default with respect to the Grantor shall exist: to endorse the Grantor's name on all applications, documents, papers and instruments necessary for Agent to continue the maintenance of or to use the Grantor's Patents, or to grant or issue any exclusive (subject to any then-existing license(s)) or nonexclusive (subject to any then-existing license(s)) license under the Grantor's Patents to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Full Payment of all of the Obligations.

9. Section 3.4 of the Loan Agreement is incorporated herein mutadis mutandis, as if a part hereof.

10. The Grantor shall promptly after obtaining knowledge thereof notify the Agent in writing of the assertion of any Intellectual Property Claim against the Grantor that could reasonably be expected to have a Material Adverse Effect. The Grantor shall have the duty, through counsel reasonably acceptable to Agent, to prosecute diligently any patent application for a Patent pending owned by it as of the date of this Agreement or thereafter until Full Payment of the Obligations to make application on unpatented but patentable inventions (subject to the Grantor's reasonable discretion in the ordinary course of business, or, during the existence of an Event of Default, promptly upon Agent's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to protect each of its Patents and to do any and all acts as the Grantor reasonably deems necessary or desirable to preserve and maintain the Patent Collateral owned by it, unless in any such case the Grantor has determined that such Patent is no longer material to the conduct of its business. Any expenses incurred in connection with such an application or proceedings shall be borne by the Grantor. The Grantor shall not abandon any pending patent application or Patent, without the prior written consent of Agent, unless the Grantor has determined that such patent application or Patent is no longer material to the conduct of its business.

11. Notwithstanding anything to the contrary contained in paragraph 10 hereof, Agent shall have the right, at any time that an Event of Default exists, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in its own name to protect any Patents or license hereunder, in either of which events the Grantor shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent in aid of such enforcement or defense and the Grantor shall promptly, upon

demand, reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this paragraph 11.

12. If the Grantor fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then to the extent permitted by Applicable Law, Agent may discharge such obligations in the Grantor's name or in Agent's name, in Agent's sole discretion, but at the Grantor's expense, and the Grantor agrees to reimburse Agent in full for all reasonable expenses, including, without limitation, reasonable attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Patents or Agent's interest therein pursuant to this Agreement.

13. No course of dealing between the Grantor and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under any of the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

14. All of Agent's rights and remedies with respect to the Patent Collateral, whether established by this Agreement or any of the other Loan Documents, or by any other agreements or by Applicable Law, shall be cumulative and may be exercised singularly or concurrently.

15. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable, in whole or in part, in any jurisdiction, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

16. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement is subject to modification only by writing signed by the parties, except as provided in paragraph 5 hereof.

17. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each Secured Party and upon the successors and permitted assigns of the Grantor. The Grantor shall not assign its rights or delegate its rights or assign its duties hereunder without the prior written consent of Agent.

18. The Grantor hereby waives notice of Agent's acceptance hereof.

19. This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any manually executed signature page to this Agreement delivered by a party by facsimile or other electronic transmission shall be deemed to be an original signature hereto.

20. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

21. To the fullest extent permitted by Applicable Law, the Grantor and Agent each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Patent Collateral.

[Remainder of page intentionally left blank; signatures appear on following pages.]

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

Grantor:

PACIFIC SAFETY PRODUCTS INC.

By: 

Name: Scott Harris

Title: Chief Financial Officer

[Signatures continue on the following page.]

[Patent Security Agreement (US)]

PATENT
REEL: 043432 FRAME: 0465

Accepted:

VIRTUS GROUP, LP, as agent ("Agent")

By: 

Name:

Title:

ENLDIR

[Patent Security Agreement (US)]

PATENT

REEL: 043432 FRAME: 0466

EXHIBIT A

Patents and Patent Applications

Title	Application No.	Filing Date	Patent No.	Issue Date
Ballistic Body Armor Employing Combination Of Desiccant And Ballistic Material	10248975	March 6, 2003	6845513	January 25, 2005