

## PATENT ASSIGNMENT COVER SHEET

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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
WING INFLATABLES, INC.	06/20/2019
PATTEN CO., INC.	06/20/2019
MUSTANG SURVIVAL HOLDINGS, INC.	06/20/2019
MUSTANG SURVIVAL, INC.	06/20/2019
MUSTANG SURVIVAL MFG, INC.	06/20/2019
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	STERLING NATIONAL BANK
<b>Street Address:</b>	8401 N. CENTRAL EXPWY
<b>Internal Address:</b>	SUITE 600
<b>City:</b>	DALLAS
<b>State/Country:</b>	TEXAS
<b>Postal Code:</b>	75225
<b>PROPERTY NUMBERS Total: 1</b>	
<b>Property Type</b>	<b>Number</b>
<b>Patent Number:</b>	8230800
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	
<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>	
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<b>ATTORNEY DOCKET NUMBER:</b>	086504-00047
<b>NAME OF SUBMITTER:</b>	DANIEL BURKHART
<b>SIGNATURE:</b>	/Daniel Burkhardt/
<b>DATE SIGNED:</b>	06/21/2019

**Total Attachments: 16**

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## **INTELLECTUAL PROPERTY SECURITY AGREEMENT**

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this “Security Agreement”), dated as of June 20, 2019, is made by **WING INFLATABLES, INC.**, a California corporation (“Wing”), **PATTEN CO., INC.**, a Florida corporation (“Patten”), **MUSTANG SURVIVAL, INC.**, a Washington corporation (“Mustang Survival”), **MUSTANG SURVIVAL HOLDINGS, INC.**, a Delaware corporation (“Mustang Holdings”), and **MUSTANG SURVIVAL MFG, INC.**, a Delaware corporation (“Mustang Mfg”, and together with Wing, Patten, Mustang Survival, and Mustang Holdings, each a “Debtor” and collectively the “Debtors”) in favor of **STERLING NATIONAL BANK**, a national banking association (the “Secured Party”).

### **RECITALS**

A. The Debtors, Mustang Survival ULC, a British Columbia unlimited liability company (“Mustang ULC”), Mustang Acquisition Company Inc., a British Columbia corporation (“Mustang Acquisition”, and together with the Debtors, Mustang ULC, and each other Person who joins the Loan Agreement (as defined below) as a Borrower, each a “Borrower” and collectively the “Borrowers”), the other Credit Parties party thereto from time to time, and the Secured Party have entered into a Loan and Security Agreement dated on or about the date of this Security Agreement (as amended, restated, supplemented, or modified from time to time, the “Loan Agreement”).

B. Under the terms of the Loan Agreement, the Debtors are required to grant to the Secured Party a security interest in and to the Intellectual Property (as defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Debtor (intending to be legally bound) hereby agrees as follows:

1. Defined Terms. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Security Interest in Intellectual Property. To secure the prompt and complete satisfaction, payment and performance when due or declared due of all of the Obligations, each Debtor hereby grants assigns and transfers to the Secured Party a first priority security interest and lien with power of sale in and to any and all of such Debtor’s right, title and interest in and to all of the following now owned and existing and hereafter arising, created or acquired property (collectively, the “Intellectual Property”):

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages, proceeds and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for

past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, brand names, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, trade names, brand names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) all renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names and tradestyles, brand names, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred to individually as a "Trademark" and, collectively, as the "Trademarks");

(iii) license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Intellectual Property or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between any Debtor and any other party, whether such Debtor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and each Debtor's rights thereunder are referred to collectively as the "Licenses");

(iv) the goodwill of each Debtor's business connected with and symbolized by the Trademarks;

(v) copyrights, copyright registrations and copyright applications, used in the United States, including, without limitation, the copyright registrations and copyright applications listed on Exhibit D attached hereto and made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a)-(d) of this subsection 2(v), are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and

(vi) all trade secrets, formulas, processes, devices, know-how, or compilations of information (including technical information and non-technical information such as customer lists and marketing plans), collectively referred to as trade secrets, which are not available to others and which are maintained as confidential by any Debtor, and the right to prevent misappropriation and unauthorized disclosures thereof and all rights corresponding thereto

throughout the world (all of the foregoing trade secrets and associated rights are sometimes hereinafter individually and/or collectively referred to as the "Trade Secrets").

3. Representations and Warranties. Each Debtor hereby represents and warrants to Secured Party, which representations and warranties shall survive the execution and delivery of this Security Agreement, that as of the date hereof:

(i) Each Debtor has adopted reasonable precautions to protect its Trade Secrets from unauthorized or accidental disclosure.

(ii) Debtors are the sole and exclusive owners of the entire and unencumbered right, title and interest in and to the Intellectual Property, free and clear of any liens, security interests, mortgages, charges and encumbrances, including, without limitation, licenses, consent-to-use agreements, shop rights and covenants by any Debtor not to sue third persons, except for any applicable Permitted Liens and any licenses and rights granted in the ordinary course of each Debtor's business that are permitted under the Loan Agreement.

(iii) Debtors have adopted, used and are currently using all of the Trademarks material to the Debtors' business.

(iv) Each Debtor has the unqualified right to execute and deliver this Security Agreement and perform its terms, this Security Agreement has been executed and delivered by a duly authorized officer of each Debtor, and this Security Agreement is a legally valid and binding obligation of each Debtor, enforceable against each Debtor in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor's rights and remedies generally.

(v) To each Debtor's knowledge, no cancellation proceedings have ever been filed with the United States Patent and Trademark Office against any of the Trademarks material to the Debtor's business.

(vi) The Licenses on Exhibit C attached hereto, complete copies of which have been provided, or will be provided upon request, to Secured Party, are valid and binding agreements, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency and similar laws from time to time in effect). To each Debtor's knowledge, each of the Licenses is in full force and effect and has not been amended or abrogated and there is no default under any of the Licenses.

4. Restrictions on Future Agreements. Each Debtor agrees that until all Obligations shall have been satisfied and indefeasibly paid in full, no Debtor shall, without the prior written consent of Secured Party, sell, transfer, mortgage, convey, dispose, encumber or assign any or all of, or grant any license or sublicense under, the Intellectual Property, or enter into any other agreement with respect to the Intellectual Property (except as permitted by the Loan Agreement), and each Debtor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including, without limitation, licensees or sublicensees, or fail to take any action, which would adversely affect the validity or enforcement of the rights provided or transferred to Secured Party under this Security Agreement.

5. New Intellectual Property. Each Debtor hereby represents and warrants to Secured Party that the Intellectual Property listed on Exhibits A, B, C, and D, respectively, as supplemented pursuant to the terms of this Agreement, constitute all of the Intellectual Property (except with respect to Trade Secrets and unregistered copyrights) now owned by any Debtor and material to any Debtor's business. If, before all Obligations shall have been satisfied in full, any Debtor shall (i) become aware of any existing Intellectual Property of which any Debtor has not previously informed Secured Party, (ii) obtain rights to any new patentable inventions or other Intellectual Property, or (iii) become entitled to the benefit of any Intellectual Property which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and such Debtor shall give to Secured Party prompt written notice thereof (except with respect to Trade Secrets and unregistered copyrights). Each Debtor hereby authorizes Secured Party to modify this Security Agreement by amending Exhibits A, B, C, and D, as applicable, to include any such Intellectual Property, and to file or refile this Security Agreement with the U.S Patent and Trademark Office and U.S. Copyright Office or Library of Congress (at Debtors' sole cost and expense). Upon Secured Party's reasonable request, each Debtor agrees to execute and deliver any and all documents and instruments necessary or advisable to record or preserve Secured Party's interest in all Intellectual Property added to Exhibits A, B, C, and D pursuant to this Section.

6. Royalties; Terms; Rights Upon Default. The term of this Security Agreement shall extend until the earlier of (i) the expiration of all of the respective Intellectual Property subject to the grant of security interest hereunder, and (ii) the indefeasible payment in full of all Obligations. Each Debtor agrees that upon the occurrence and during the continuance of a Default or an Event of Default, the use by Secured Party of all Intellectual Property shall be worldwide and as extensive as the rights of any Debtor to use such Intellectual Property, and without any liability for royalties or other related charges from Secured Party to any Debtor. Upon the occurrence and during the continuance of any Default or Event of Default, each Debtor hereby authorizes: (a) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all Patents to Secured Party as assignee of such Debtor's entire interest therein; (b) the Register of Copyrights, United States Copyright Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all certificates of registration or renewal for all of the Copyrights to Secured Party as assignee of such Debtor's entire interest therein; and (c) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries) to issue any and all certificates of registration or renewal for all of the Trademarks to Secured Party as assignee of such Debtor's entire interest therein and in the goodwill of such Debtor's business connected therewith and symbolized thereby.

7. Effect on Loan Agreement. Each Debtor acknowledges and agrees that this Security Agreement is intended to facilitate the exercise of rights and remedies under the Loan Agreement. Secured Party shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan Agreement, all rights and remedies allowed by law, in equity, and the rights and remedies of a secured party under the UCC.

8. Secured Party's Right to Inspect; Trademark Quality Control. Secured Party shall have the rights in the Loan Agreement to inspect any Debtor's premises and to

examine any Debtor's books, records and operations, including, without limitation, any Debtor's quality control processes. Upon the occurrence and during the continuance of a Default or an Event of Default, each Debtor agrees that Secured Party, or a conservator appointed by Secured Party, shall have the right to establish such product quality controls as Secured Party, or said conservator, in its sole but reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by any Debtor under the Trademarks. The foregoing notwithstanding, unless and until a Default or an Event of Default shall have occurred, Secured Party agrees to hold confidential and not disclose or use any non-public information regarding any Patent, Trademark or License unless such disclosure is required by applicable law or court order. This obligation shall survive the termination of this Security Agreement, the release of the security interest herein and such reassignment of the Intellectual Property, as applicable, unless such termination is due to a Default or an Event of Default.

9. Release of Security Agreement. Upon the payment and performance in full of the Obligations and the termination of all commitments under the Loan Agreement, this Security Agreement shall terminate, and, except as otherwise provided in any applicable Subordination Agreement, Secured Party shall execute and deliver any document reasonably requested by Debtors, at Debtors' sole cost and expense, as shall be necessary to evidence termination of the security interest granted by Debtors to Secured Party hereunder.

10. Expenses. All costs and expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Debtors. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by Secured Party in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Intellectual Property, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property, shall be borne by and paid by Debtors on demand by Secured Party and until so paid shall be added to the principal amount of the Obligations as Protective Advances in accordance with the Loan Agreement.

11. Duties of Debtors. Each Debtor shall have the duty to the extent commercially reasonable and in each Debtor's good faith business judgment: (i) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter until all Obligations shall have been paid in full, (ii) to make application on unpatented but patentable inventions and on trademarks and service marks, (iii) to preserve and maintain all rights in the Intellectual Property (including, but not limited to, with respect to Trademarks, the filing of affidavits of use and, incontestability, where applicable, under §§8 and 15 of the Lanham Act (15 U.S.C. §§ 1058, 1065) and renewals and, to the extent commercially reasonable, initiating opposition or cancellation proceedings or litigation against users of the same or confusingly similar marks who seriously threaten the validity or rights of any Debtor in its Trademarks), and (iv) to ensure that the Intellectual Property is and remains enforceable. Any and all costs and expenses incurred in connection with any Debtor's obligations under this Section 11 shall be borne by Debtors. No Debtor shall knowingly and unreasonably abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other Intellectual Property, without the prior written consent of Secured Party

except for Intellectual Property that such Debtor determines, in the exercise of its good faith business judgment, is not or is no longer material to its business.

12. Secured Party's Right to Sue. Upon the occurrence and during the continuance of a Default or an Event of Default, Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Intellectual Property, and, if Secured Party shall commence any such suit, Debtors shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents and instruments reasonably required by Secured Party in aid of such enforcement and Debtors shall promptly, upon demand, reimburse and indemnify Secured Party for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Secured Party in the exercise of its rights under this Section 12.

13. Waivers. No course of dealing between any Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Loan Agreement or any other Loan Document 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 further exercise thereof or the exercise of any other right, power or privilege.

14. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

15. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney. All of Secured Party's rights and remedies with respect to the Intellectual Property, whether established hereby or by the Loan Agreement, the other Loan Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each Debtor hereby authorizes Secured Party upon the occurrence and during the continuance of a Default or an Event of Default, to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its sole discretion, as each Debtor's true and lawful attorney-in-fact, with power to (i) endorse each Debtor's name on all applications, documents, papers and instruments necessary or desirable for Secured Party in the use of the Intellectual Property, or (ii) take any other actions with respect to the Intellectual Property as Secured Party deems to be in the best interest of Secured Party, or (iii) grant or issue any exclusive or non-exclusive license under the Intellectual Property to any Person, or (iv) assign, pledge, sell, convey or otherwise transfer title in or dispose of any of the Intellectual Property to any Person. Each Debtor 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 all Obligations shall have been paid in full.



17. [Reserved.]

18. Binding Effect; Benefits. This Security Agreement shall be binding upon each Debtor and their respective successors and permitted assigns, and shall inure to the benefit of Secured Party, its successors, nominees and assigns; provided, however, no Debtor shall assign this Security Agreement or any of any Debtor's obligations hereunder without the prior written consent of Secured Party.

19. GOVERNING LAW; VENUE.

(i) THIS SECURITY AGREEMENT HAS BEEN EXECUTED OR COMPLETED AND/OR IS TO BE PERFORMED IN NEW YORK, AND IT AND ALL TRANSACTIONS HEREUNDER OR PURSUANT HERETO SHALL BE GOVERNED AS TO INTERPRETATION, VALIDITY, EFFECT, RIGHTS, DUTIES AND REMEDIES OF THE PARTIES THEREUNDER AND IN ALL OTHER RESPECTS BY THE LAWS OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF, BUT INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW.

(ii) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR IN ANY FEDERAL OR STATE COURT SITTING IN NEW YORK COUNTY, ROCKLAND COUNTY OR WESTCHESTER COUNTY, AND BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, EACH DEBTOR AND SECURED PARTY CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH DEBTOR, AND SECURED PARTY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO VENUE ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH JURISDICTION. NOTWITHSTANDING THE FOREGOING, SECURED PARTY SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST ANY DEBTOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION AS SECURED PARTY DEEMS NECESSARY OR APPROPRIATE IN ORDER TO EXERCISE REMEDIES WITH RESPECT TO THE INTELLECTUAL PROPERTY

20. Headings; Counterparts. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede. This Security Agreement may be signed in one or more counterparts, but all of such counterparts shall constitute and be deemed to be one and the same instrument. A signature hereto sent or delivered by facsimile or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

21. Further Assurances. Each Debtor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Secured Party shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein. Each Debtor acknowledges that a copy of this Security Agreement will be filed by the Secured Party with the United States Patent and

Trademark Office and, if applicable, the United States Copyright Office or Library of Congress, at the sole cost and expense of the Debtors.

22. Survival of Representations. All representations and warranties of Debtors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

23. Foreign Patents, Copyrights and Trademarks. Upon the request of Secured Party at any time or from time to time (and subject to clause (viii) of the definition of Excluded Property in the Loan Agreement), and at the sole cost and expense (including, without limitation, reasonable attorneys' fees) of Debtors, each Debtor shall take all actions and execute and deliver any and all instruments, agreements, assignments, certificates or documents, reasonably required by Secured Party to collaterally assign any and all of each Debtor's foreign patent, copyright and trademark registrations and applications now owned or hereafter acquired to and in favor of Secured Party. Upon the execution and delivery of any such collateral assignments or documents, the terms "Patents", "Copyrights", and "Trademarks" as used herein shall automatically be deemed amended to include such foreign patent, copyright and trademark registrations and applications without any action required by any Person.

**24. Jury Trial Waiver. EACH DEBTOR AND SECURED PARTY EACH IRREVOCABLY WAIVES ITS RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS SECURITY AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY KIND BROUGHT BY ANY SUCH PERSON AGAINST ANOTHER, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH DEBTOR AND SECURED PARTY EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS SECURITY AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS SECURITY AGREEMENT AND THE OTHER LOAN DOCUMENTS, WHETHER OR NOT SPECIFICALLY SET FORTH THEREIN.**

25. Judicial Reference. The Secured Party and the Debtors intend that this Security Agreement shall be governed by the laws of the State of New York unless expressly provided otherwise. Furthermore, if the jury trial waiver set forth above is not enforceable, then the parties elect to proceed under this judicial reference provision.

(i) With the exception of the items specified in clause (B), below, any controversy, dispute or claim between the parties arising out of or relating to this Security Agreement with respect to which the jury trial waiver set forth above is not enforceable (each, a "Claim"), will be

resolved by a reference proceeding in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in this Security Agreement, venue for the reference proceeding will be in the state or federal court in the county or district where the state or federal court in the county or district where venue is otherwise appropriate under applicable law (the "Court").

(ii) The matters that shall not be subject to a reference are the following: (1) foreclosure of any security interests in real or personal property, (2) exercise of self-help remedies (including, without limitation, set-off), (3) appointment of a receiver and (4) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This reference provision does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (1) and (2) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (3) and (4). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this reference provision as provided herein.

(iii) The referee shall be a retired judge or justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP § 170.6, each party shall have one peremptory challenge to the referee selected by the Presiding Judge of the Court (or his or her representative).

(iv) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (a) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (b) if practicable, try all issues of law or fact within one hundred twenty(120) days after the date of the conference and (c) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(v) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(vi) Except as expressly set forth herein, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order

of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(vii) The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP§ 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(viii) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(ix) THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS SECURITY AGREEMENT.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each Debtor has duly executed this Intellectual Property Security Agreement in favor of Secured Party, as of the date first written above.

WING INFLATABLES, INC.

By: 

Name: Mark French

Title: Chief Financial Officer

PATTEN CO., INC.

By: 

Name: Mark French

Title: Chief Financial Officer, Treasurer and Secretary

MUSTANG SURVIVAL, INC.

By: 

Name: Mark French

Title: Vice President, Secretary and Treasurer

MUSTANG SURVIVAL HOLDINGS, INC.

By: 

Name: Mark French

Title: Vice President, Secretary and Treasurer

MUSTANG SURVIVAL MFG, INC.

By: 

Name: Mark French

Title: Vice President, Secretary and Treasurer

SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

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PATENT  
REEL: 049552 FRAME: 0486

Agreed and accepted  
as of the date first written above

STERLING NATIONAL BANK

By: Barbara J. Coffin  
Name: Barbara J. Coffin  
Title: Vice President

SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

PATENT  
REEL: 049552 FRAME: 0487

EXHIBIT A

PATENTS

Country	Status	Application Number	Filing Date	Patent Number	Issue Date	Title
USA	GRANTED	US12/761950	2010-04-16	US8230800	2012-07-31	Watercraft flotation device using drawstring attachment

EXHIBIT B  
TRADEMARKS

Trademarks and Service Marks

Trademark	Country	Serial Number	Registration Number	Registration Date	Goods/Services
WING	US Federal	85726201	4341715	May 28, 2013	(Int'l Class: 12) inflatable boats, rib surf skis, rafts, and pontoon boats
WING	Canada	1195175	TMA758246	January 28, 2010	(Int'l Class: 12) Goods: (1) Air-holding sponsons and air/foam hybrid sponsons sold as original or replacement equipment for rigid inflatable boats; inflatable boats. Goods: (2) Original or replacement air-holding sponsons and air/foam hybrid sponsons and foam collars for rigid inflatable boats and inflatable boats.



EXHIBIT C  
LICENSE AGREEMENTS

In-License

- (1) Mustang-Survitec-Tiax Teaming Agreement, dated September 8, 2008, by and between Mustang Survival Mfg. Inc. (as affiliate of Mustang Survival ULC), Survitec Group Limited and TIAX LLC.

Out-License

- (1) Mustang-Survitec-Tiax Teaming Agreement, dated September 8, 2008, by and between Mustang Survival Mfg. Inc. (as affiliate of Mustang Survival ULC), Survitec Group Limited and TIAX LLC.

EXHIBIT D  
COPYRIGHTS

None.