TRADEMARK ASSIGNMENT

Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE: NEW ASSIGNMENT

NATURE OF CONVEYANCE: Acknowledgement Of Intellectual Property Collateral Lien

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Firearms Training Systems, Inc.		09/30/2004	CORPORATION: DELAWARE
FATS, Inc.		09/30/2004	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	CapitalSource Finance LLC	
Street Address:	4445 Willard Ave	
Internal Address:	12th Floor	
City:	Chevy Chase	
State/Country:	MARYLAND	
Postal Code:	20815	
Entity Type:	Limited Liability Company: DELAWARE	

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark	
Serial Number:	76510696	FATS HOSTILE FIRE SIMULATOR	
Serial Number:	76510697	BLUEFIRE	
Registration Number:	2088866	FATS	
Registration Number:	2431925	SRS	
Registration Number:	2077153	FATS	

CORRESPONDENCE DATA

Fax Number: (858)450-8499

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 858-450-8400

Email: DHall@hewm.com

Correspondent Name: David A. Hall

Address Line 1: 4350 La Jolla Village Drive

Address Line 4: San Diego, CALIFORNIA 92122

ATTORNEY DOCKET NUMBER: 39188-0029

TRADEMARK

REEL: 002994 FRAME: 0069

NAME OF SUBMITTER:	Jennifer I. Vail
Total Attachments: 14	
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ACKNOWLEDGEMENT OF INTELLECTUAL PROPERTY COLLATERAL LIEN

This Acknowledgement of Intellectual Property Collateral Lien (this "Acknowledgement") is dated as of September 20, 2004, by each of Firearms Training Systems, Inc., a Delaware corporation, and FATS, Inc., a Delaware corporation (each a "Grantor" and, collectively, the "Grantors"), in favor of CapitalSource Finance LLC, a Delaware limited liability company, as administrative agent and collateral agent for the Lenders under the Loan Agreement (in such capacities, "Secured Party").

WITNESSETH:

WHEREAS, pursuant to that certain Revolving Credit, Term Loan and Security Agreement dated as of the date hereof among Grantors, Secured Party and the Lenders (as the same exists and may be amended, restated, supplemented, extended, renewed, replaced or otherwise modified from time to time, the "Loan Agreement"), the Lenders have agreed to provide Loans to the Grantors upon the terms and subject to the conditions set forth therein; and

WHEREAS, the Grantors granted to Secured Party, for itself and the benefit of the Lenders, certain liens on the Collateral to secure their Obligations under the Loan Agreement; and

WHEREAS, pursuant to the terms of the Loan Agreement the Grantors are required to execute and deliver this Acknowledgment in favor of Secured Party, for itself and the benefit of the Lenders;

Now, Therefore, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Secured Party and lenders to enter into the Loan Documents and to make Loans to the Grantors thereunder, each Grantor hereby agrees with Secured Party as follows:

Section 1. <u>Defined Terms</u>. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Loan Agreement or, to the extent the same are used or defined therein, the meanings provided in Article 9 of the UCC in effect on the date hereof. Whenever the context so requires, each reference to gender includes the masculine and feminine, the singular number includes the plural and vice versa. This Acknowledgement shall mean such agreement as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, from time to time. Unless otherwise specified, all accounting terms not defined in the Loan Documents shall have the meanings given to such terms in and shall be interpreted in accordance with GAAP. References in this Acknowledgement to any Person shall include such Person and its successors and permitted assigns.

ACKNOWLEDGMENT OF IP COLLATERAL LIEN

- Property Collateral. Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Grantor, hereby reaffirms its grant to Secured Party, for itself and the benefit of the Lenders, of a first priority security interest in the Collateral, and further collaterally assigns, conveys, mortgages, pledges, hypothecates and transfers to Secured Party, for itself and the benefit of the Lenders, and grants to Secured Party, for itself and the benefit of the Lenders, a lien on and security interest in all of its right, title and interest in, to and under the following Collateral of such Grantor (herein referred to as "Intellectual Property Collateral"):
- (a) all of its owned Trademarks and Trademark Licenses to which it is a party, including those referred to on <u>Schedule I</u> hereto;

all renewals, reissues, continuations or extensions of the foregoing;

all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License;

all Proceeds of the foregoing, including any claim by such Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License;

(b) all of its Copyrights and Copyright Licenses to which it is a party, including those referred to on Schedule II hereto;

all renewals, reissues, continuations or extensions of the foregoing; and

all Proceeds of the foregoing, including any claim by such Grantor against third parties for past, present, future infringement or dilution of any Copyright or Copyright licensed under any Copyright License; and

(c) all of its Patents and Patent Licenses to which it is a party, including those referred to on Schedule III hereto;

all renewals, reissues, continuations or extensions of the foregoing; and

all Proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement or

dilution of any Patent or any Patent licensed under any Patent License.

Section 3. Acknowledgement. The security interests reaffirmed herein are granted in conjunction with the security interest granted to Secured Party, for itself and the benefit of the Lenders, pursuant to the Loan Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party and Lenders with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent that there is any conflict or inconsistency between this Acknowledgement and the Loan Agreement, the terms and conditions of the Loan Agreement shall govern.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Acknowledgment of Intellectual Property Collateral Lien to be executed and delivered by its duly authorized offer as of the date first set forth above.

FIREARMS TRAINING SYSTEMS, INC. FATS, INC.

By:		Ву:	
_	Name:		Name:
	Title:		Title:

Accepted and Agreed:

CAPITALSOURCE FINANCE LLC, as

Secured Party

By:

Name: Steven A. Museles
Title: Senior Vice President

IN WITNESS WHEREOF, each Grantor has caused this Acknowledgment of Intellectual Property Collateral Lien to be executed and delivered by its duly authorized offer as of the date first set forth above.

FIREARMS TRAINING SYSTEMS, INC. FATS, INC.

By:	Name: Ron R. Mohling Title: Chairman & CEO	1
Acce	pted and Agreed:	
	ITALSOURCE FINANCE LLC, as red Party	
By:	Name:	

Title:

ACKNOWLEDGEMENT OF GRANTORS

\sim ,) ss.
COUNTY OF JOLDY W.
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On this 30th day of September, 2004 before me personally appeared
R. Mohly proved to me on the basis of satisfactory evidence to be the
person who executed the foregoing instrument on behalf of Firearms Training Systems,
Inc. and FATS, Inc., who being by me duly sworn did depose and say that he is an
authorized officer of each said corporation, that the said instrument was signed on behalf

of each said corporation as authorized by its respective Board of Directors and that he

acknowledged said instrument to be the free act and deed of each said corporation.

Notacy Public

STATE OF GEORGIA

Schedule I Trademarks

Trademarks by Country

Country	Mark
Argentina	fats (Cl. 9)
Argentina	fats & Design (Cl. 9)
Australia	fats (Cl. 9)
Australia	fats & Design (CI 9,41)
Belgium	(see Benelux)
Benelux	fats & Design (Cl. 9, 41)
Benelux	fats (C1 9)
Canada	fats & Design
Canada	fots
Greece	fats (Cl. 9)
Greeco	Ints & Design (Cl. 9,41)
Indonesia	fals (Cl. 9)
Indonesia	fats & Design (Ct. 9)
Indonesia	fats & Design (Cl 41)
Israel	fats & Design (Cl. 9)
Israel	fats (Cl. 9)
Israel	fats & Design (Cl 41)
Italy	fats (Cl. 9)
Italy	fals & Design (Cl. 9,41)
Japan	fats & Design (Cl. 41)
Japan	fats (Cl. 9)
Japan	fats & Design (Cl 9)
Luxembourg	(see Benelux)
Mexico	fats & Design (Cl 41)
Mexico	fats & Design (Cl. 9)
Mexico	fats & Design (Cl 41)

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Country	Mark :
Mexico	fats & Design (Cl 9)
Mexico	fats (Cl. 9)
Saudi Arabia	fats (C1 9)
Saudi Arabia	fats & Design (Cl 9)
Saudi Arabia	fats & Design (Cl. 41)
Singapore	fats & Design (Cl 9)
Singapore	faus & Design (Cl. 41)
Singapore	fats (Cl. 9)
Taiwan	ints & Design (Cl. 9)
Toiwan	fots & Design (Cl. 41)
Taiwan	fats (CL 9)
United Kingdom	fats (CL 9)
United Kingdom	fats & Design (Cl. 9,41)
USA	lats & Design (Cl 9.41) - Reg. No. 2,088, 866
USA	SRS (CL9) Reg No. 2,431,925
USA	fais (CL9) Reg No. 2,077,153

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Pending Trademarks

Country		Mark			
India					· .
USA	:	FATS Hostile Fire Simulator -	Application	No. 76	1510,694
USA		BLUEFIRE - Applica	tion No. 70	0/510,6	97

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Schedule II Copyrights



Registered Works Database (Registration Number Search)
Search For:

TX-2-326-883 (COHM)

Title: Gun control definitions.

Description: printout.

Claimant: [Author and claimant] Firearms Training Systems, Inc.

Created: 1988
Published: 9Feb88
Registered: 18Apr88

Title on @ Application: Gun control program.

Special Codes: 1/C

Conduct Another Search

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U.S. Copyright Office 101 Independence Ave. S.E. Washington, D.C. 20559-6000 (202) 707-3000

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Schedule III Patents

Patents Issued

RECORDED: 12/17/2004

U.S. Patent 6,059,573	lsayed	5/9/2000	Assigner	FATS, Inc., Su	vance, Ga		
Description Mortar Training Device With Functional Simulated Propelling Charges							
Inventor(s) Remeth Pate	d (Alpharetta, GA)						
1st Maintenance Fee 2nd Maintenance Fee 3rd Maintenance Fee	Paid by i 1/09/07	Flied in Fore	ilgn Country	Abstract Donners	Claims	Description Description	
U.S. Patent 5,816,817	Issued	10/6/1998	Assigne	e FATS, Inc., Su	wanee, Ga		
Description Multiple Weapon Firearms Training Method Utilizing Image Shape Precognition							
invantor(s) Wenlong To	ang, Bobby Halang-	Hua Chung, Chris	topher Alan Balley				
1st Maintenance Fee 2nd Maintenance Fee	Pald by 04/07/06	Flied in For	elgn Country	Abstract	Claims Occurred	Description	